

TWENTY CENTS

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Sales Management

The Weekly Magazine for Marketing Executives



King C. Gillette
President, Gillette Safety Razor Company, Boston

Gillette's Plans Precipitate
Sharp Razor Promotion War

—
New Sales Services Banks Are
Offering Marketing Executives

No Other Chicago Daily Can Match This Record!

The Chicago Evening American in 1929 finished its tenth consecutive year of gain in total display advertising.

In five out of the ten years the Chicago Evening American's gain was greater than that of any other daily published in Chicago for the period.

In two out of the ten years the Chicago Evening American's gain was greater than the *combined gains* of all other dailies published in Chicago for the period.

No other Chicago daily can match this record! Coupled with the Chicago Evening American's nine years of circulation leadership in Chicago's evening field, its import is unmistakably clear.

CHICAGO EVENING

Total Display Advertising in the
**CHICAGO EVENING
AMERICAN**
1920-1929

Year	Total	Gain
1920	7,425,426	578,744
1921	7,957,654	532,228
1922	8,064,865	107,211
1923	9,553,248	1,488,383
1924	10,188,836	635,588
1925	11,263,150	1,074,314
1926	12,022,996	759,846
1927	12,620,446	597,450
1928	13,138,795	518,349
1929	13,347,454	208,659

AMERICAN

a good newspaper

National Representatives:
RODNEY E. BOONE ORGANIZATION

MIDWEEK

**Now
Offers
Advertisers
FOUR COLOR
Photogravure**

**ADVERTISING
REPRESENTATIVES**

NEW YORK
J. B. Woodward
110 E. 42d St.

DETROIT
Joseph R. Sciaro
3-241 General Motors Bldg.

SAN FRANCISCO
C. Geo. Krogness
303 Crocker 1st Nat'l
Bank Bldg.

ATLANTA
A. D. Grant
711-712 Glenn Bldg.

**Member of the 100,000
Group of American Cities**

After one successful year in red and black, The Chicago Daily News Midweek offers advertisers a new and brighter garb—four color photogravure (three colors and black).

The same forceful color appeal you find in the national magazines is now available in this eagerly read section of Chicago's Home Newspaper. Your color advertising can be reproduced with eyetaking fidelity at a cost of but little more than ordinary black and white newspaper space. Issued every Wednesday as a part of The Chicago Daily News, the Midweek offers your product an exceptionally strong representation in over 450,000 worthwhile homes.

The Midweek story—low cost—high reader interest and proved pulling power grows better every day. When may a representative call and talk color, rates and schedules?

THE CHICAGO DAILY NEWS MIDWEEK

Chicago's Home Newspaper

Published every Saturday and copyrighted by SALES MANAGEMENT, INC., 420 Lexington Ave., New York, N. Y. Subscription price, \$4.00 a year in advance.
Entered as second-class matter June 1, 1928, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Volume XXI. No. 5.

**Over
10000
business houses
now use**

Du-Plex
**TWO COMPARTMENT
ENVELOPES**

Increases EFFECTIVENESS of CATALOGS and Sales Literature

If you cannot afford the luxury of lost sales, don't make the mistake of mailing "under-separate-cover." You wouldn't wait for these stragglers to show up—neither will the other fellow.

Make the most of every inquiry. Strike while the iron is hot. Insure the effectiveness of sales literature by mailing acknowledgments of inquiries together with your printed matter or samples. ♦

Du-Plex Envelopes require no more postage than if letter and catalog were mailed separately. Only one addressing needed—not any if window type is used. Try them—they'll build goodwill and stimulate sales.

For Sale by Paper Merchants and Printers



Du-Plex Envelope Corporation
3026 Franklin Blvd., Chicago

Write Us for Samples

Survey of Surveys

BY WALTER MANN

House Organ on House Organs

Some famous editor once said that if a dog bit a man it was very ordinary news, but that if a man bit a dog that would be news. I suppose that on the same basis if a car card man put out a research report on car cards it would only be half as interesting news as if a car card man were to put out a study on house organs.

A total of 181,000,000 copies of 2,000 or more house organs are distributed each year at a total estimated cost of \$21,000,000, according to a study made by Charles E. Townsend, editor of *The Car Card* and *Collier Teamwork*, both house organs published by Barron G. Collier, Inc.

Having delivered what seemed to be carefully prepared facts based on 410 replies to a survey covering twenty-six questions, Mr. Townsend indulges in what must of necessity be a flight of fancy. He states that this \$21,000,000 constitutes at least two cents out of every dollar spent for all forms of publicity and at least eight cents out of every dollar spent in direct-mail advertising.

He may be right about his estimate on the percentage of direct mail—although where he got accurate figures on the dollar volume of direct-mail expenditures is beyond me. But how on earth he managed to work out what constituted an accurate figure for total advertising expenditures in the United States is even more puzzling.

For years I have tried to work out such a figure and find it wholly impossible to obtain with any degree of accuracy. For who can tell what constitutes advertising when we begin to draw the finer lines? Nobody has any difficulty identifying a newspaper, a magazine, a trade paper, a poster, a car card, a direct-mail piece or even a novelty as advertising, but an accurate estimated total of the volume of all these is almost an impossibility.

Having achieved an accurate figure of totals on all these and several other standard forms of advertising (in itself no mean feat), could he then stop and say that this constituted the *total advertising expenditure?* How about the advertisements painted on the sides of motor trucks and wagons or printed on the outside of carts and ordinary letter envelopes? How about show cards in retail windows—or even the chalk signs on the blackboards outside of grocery stores and meat markets? How about political banners, kitchen calendars, etc.?

Not that we decry the effort of trying to find a total figure upon which a percentage of house organ expenditure might be based. In fact, we compliment Mr. Townsend on what has doubtless been a very worthy effort. If he has it he is the first who has been able to find a basis that would adequately picture the real dollars and cents volume of advertising today.

This is admittedly a minor objection to a highly original and worth-while study. The 410 replies to this survey say that the typical house organ runs 11,500 copies at a cost of 7.4 cents per copy (including

salaries and all incidentals). It is issued monthly and has been published for seven or eight years. Quoting now from Mr. Townsend's comments on the typical survey:

"Its policy is most frequently determined by officials of the company; it is mailed to business addresses of readers; it does not use return cards and has no regular mailing list policy; it has no definite method of determining either reader interest or the most popular type of feature carried.*

"It does not pay for contributions, nor carry paid advertising; it makes no charge for subscriptions.

"About 80 per cent of its content is written by the editorial staff, which usually consists of one or two part-time workers, whose salaries are approximately \$3,500 per year, in aggregate.

"It is a sixteen-page, self-cover publication, with a second color on the cover, and either of 'letterhead' or six-by-nine size."

Every once in a while someone like Mr. Townsend, with an insatiable bent for interesting facts, digs down into the mass of advertising experience and brings up an entirely new collection of data. Few have done so more interestingly than has Mr. Townsend—on a subject which to the best of my knowledge has never been so adequately treated before.

Following these general comments is a detailed breakdown of each of the twenty-six questions asked in this study, as well as a list of the concerns that contributed and the names of the house organs of these concerns.

If you are interested in what other advertisers are doing along house organ lines (and you may well be in this case), write to Charles E. Townsend, editor, *The Car Card*, 220 West Forty-second Street, New York City, enclosing \$2.00 for your copy.

*The italics are our own.

Thumbnail Reviews

The Trading Area System of Sales Control. Prepared by the marketing division of the International Magazine Company, Inc., Eighth Avenue and Fifty-seventh Street, New York.*

The South American Handbook—1930. A year book and guide to the countries and resources of Latin-America, including South and Central America, Mexico and Cuba. Obtainable from Sanderson & Son, Inc., 26 Broadway, New York, and the H. W. Wilson Company, 958 University Avenue, New York. \$1.00. 746 pages.

Aeronautic Publications (*Aeronautics Bulletin No. 6*). A classified list of publications on aeronautics and subjects closely allied, both governmental and non-governmental. Government Printing Office, Washington, D. C. 10 pages.

*This study is reviewed in this issue on page 204. Limited edition. Not generally available.

VOL. XXI. No. 5
February 1, 1930
Published Every
Saturday

Sales Management

Publication Office:
420 Lexington Ave.
New York. Phone
Lexington 1760



JIM TRUE knows everybody in Washington, including the White House dogs. That's the reason SALES MANAGEMENT readers get accurate, up-to-the-minute reports on Government activities that have a direct and important bearing on business. When he isn't ferreting out the low-down on the latest Federal Trade Commission decision he's probably in New York sitting at a desk with the topmost executive of one of America's biggest corporations.

Because so many of these business leaders do not have time to write themselves, Mr. True collaborates with them in making their ideas and experiences available to SALES MANAGEMENT readers. Jim got his sales experience selling stoves and later shirts and collars. He has been writing about distribution problems for more than twenty years. Some time ago he was with the Chicago Tribune, later with Printer's Ink, and he is the man who wrote the series of "Intimate Interviews" published by the New York Evening World and World Syndicate.

Mr. True writes exclusively for Nation's Business and SALES MANAGEMENT magazines. As Associate Editor of SALES MANAGEMENT, his articles appear almost every week.

RAYMOND BILL, President; PHILIP SALISBURY, Vice President and Director of Advertising; J. F. WEINTZ, C. E. LOVEJOY, Vice Presidents; M. V. REED, Eastern Advertising Manager; FREDERICK FRANKLIN, Promotion Manager; R. E. SMALLWOOD, Circulation Manager; G. D. YOUNG, London Manager. Published by SALES MANAGEMENT, INC., 420 Lexington Avenue, New York; Chicago Office, 333 North Michigan Avenue; London Office, 33 Chancery Lane, W. C. 2.

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Cover photograph by Underwood & Underwood

This Golden Flow Has a Return Trip Ticket!

In one week in January the New York auction market alone bought 575 cars of Florida oranges—oddly enough the same number as the corresponding week in 1929. But—this year the price was one dollar a box MORE! Florida grapefruit averaged more than \$1.00 more. And the crop this year will total 13,000 cars of grapefruit and 19,000 cars of oranges. Fruit going north, money coming back! Your ready access to such buying power is ready-made—through

The Florida Times-Union JACKSONVILLE FLORIDA

The Advertising Parade

Edited by ROBERT HUNT

Out of the entire field of American periodical advertising in 1928, the editor chose three hundred examples. These he submitted to a jury of four experts representing respectively the agency, the public, the advertiser, the publisher: Roy Durstine, of B.B.D.&O.; Edward Streeter, Philip L. Thompson, of Western Electric, and L. A. Weaver of *Good Housekeeping*. These judges then selected one hundred and fifty which in their opinion illustrated most vitally the best American advertising of today.

The advertisements are reproduced in beautiful plates approximately 7 by 9, and for easy reference the index lists them under general, business, women's, class and quality, industrial and special.

This striking anthology not only portrays the newer advertising trends in a general way, but is a source book for useful plan, copy and art ideas to the advertising manager, sales manager, agency executive, layout man and copy-writer.

Published January, 1930

Price \$7.50
postpaid

(Remittance should accompany order)

SALES MANAGEMENT
Book Service
420 Lexington Avenue
NEW YORK

Tips

These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

Markets and Media

Bureau of Advertising A. N. P. A. Standard Market Survey Form of Altoona, Pennsylvania. Gives population, standard of living, industries and wholesale and retail trade outlets within the twenty-five-mile radius comprising Altoona's trading area. A useful map of Altoona and adjacent territory is included. This survey was prepared by the *Mirror*, Altoona's only evening paper.

A Guide to 1930 Business in Springfield and Western Massachusetts. Agencies and advertisers will welcome this graphic and pictorial presentation of market data. The charts reflect the sound, vigorous status of business throughout Western Massachusetts and explain why the Springfield newspapers view the year with more than usual optimism. The last page carries a good map of Springfield and the area within a fifty-mile radius.

Key to Atlanta. This is the kind of a survey which combines authenticity with readability born of enthusiasm. The Atlanta Chamber of Commerce has anticipated every possible information-requirement of the manufacturer seeking a new plant location or the sales manager planning the invasion of new territory. Replete with maps, illustrations, tables of facts, graphs and market data.

A United New England. While this booklet purports to be a summary of the activities and accomplishments of the New England Council since its inception in 1926, the sales executive will find it a splendid source of information on economic and social conditions and trends in the six states which comprise New England. Outlines conditions as they exist and potentialities in the fields of industry, agriculture, foreign trade, public utilities, etc.

Some New Ideas on Coverage. *The Household Magazine* breaks down its own circulation and that of the six leading women's magazines in three different ways, the second and third

checking the fact revealed by the first, that the group of six achieve incontestably complete coverage of the metropolitan areas, but that the *Household Magazine* is indispensable for advertising coverage of the true small-town markets.

Packaging

An Interview. In a booklet of strikingly colorful and handsome format the Pneumatic Scale Corporation describe their experience in the field of pneumatic, automatic packaging machinery, accompanied by a list of present users of their equipment interspersed with a handful of testimonials over some famous signatures. It tells what they are prepared to do for you with a view to economy and speed and the ultimate appearance of the packages. They are equipped to handle all products, liquid or dry.

Business Stationery

Attention-Compelling Letterheads. If you are contemplating the adoption of a new letterhead, or if your present business stationery falls short of perfection, you can do no better than to send for Monroe's portfolio of letterhead designs, each on a different kind of paper. Provides ideas and inspiration.

Paper Stocks

Sales Power in Color. So irresistibly attractive were the color plates in this booklet that we thumbed through it "looking at the pictures," each one a masterpiece of advertising art. The text is a crisp, intelligent brief for color in advertising and is full of suggestions and ideas for mailing pieces. The paper used for this booklet is one of the Foldwell coated papers.

Merchandising

Bell System Trade-Mark Merchandising Service. Would you like to be on the mailing list of the American Telephone and Telegraph Company to receive their series on modern merchandising?

Significant News

• • • Of broadest general significance in this week's news budget were trade reports of recovery in the steel industry at a rate which astonished consumers and producers alike. Sharpest gain was in automotive steel.

• • • U. S. Steel profit in 1929 was \$197,531,000, an increase of \$83,357,000 over 1928 and of \$109,634,000 over 1927—73 and 125 per cent, respectively. Judged by Jones & Laughlin's statement, the big company gained ground on the independents. J. & L. showed net of \$20,849,000 for 1929, \$5,281,000 more than in 1928 and \$9,610,000 over 1927—34 and 85 per cent, respectively.

• • • Montgomery Ward reports mail-order sales in 1929 of \$166,677,000, compared with \$171,072,000 in 1928. Its chain and department store sales rose from \$61,282,000 to \$124,853,000. In other words, last year's whole volume was only 57 per cent mail order, while in 1928 mail orders accounted for 74 per cent of the total. When mail-order business was 100 per cent of the business, in 1925 for example, the amount was \$184,092,000. No wonder the "mail-order" houses have been turning into chain-store systems.

• • • In an effort to revive mail-order business, Montgomery Ward, following Sears, Roebuck, prepaid shipping expenses to customers during the second six months of 1929. The results were not satisfactory. Volume was probably increased, but so were expenses to such an extent that, in spite of a gain of nearly 25 per cent in total sales, profits were cut from \$19,571,000 in 1928 to \$14,504,000 in 1929. Needless to add, that sales-boosting plan has gone into the discard. Yet Sears, Roebuck, originators of the shipping expense premium, added about \$3,000,000 to their earnings last year, bringing them above \$30,000,000.

• • • Employment figures for the week ended January 13 showed a further gain, 3.3 per cent over the preceding week, a fact which President Hoover regarded as of sufficient importance to warrant a White House statement on the subject this week. Increase, he added, "was distributed over the whole industrial world—an encouraging sign."

• • • Woolworth's net profit in 1929 was \$35,664,000, exceeding that of 1928 by only \$278,000 and that of 1927 by no more than \$314,000. Sales of \$303,047,000, on the other hand, were up \$16,000,000 over those of 1928 and \$30,000,000 over those of 1927. Profit on sales, in other words, declined from 12.95 cents in the dollar in 1927 to 12.32 cents in 1928, and 11.77 cents in 1929. At that they were still very high for a mass retailer.

• • • The Sunlight lamp (a tungsten-mercury arc), produced by the National Lamp Works and General Electric laboratories, looms as a revolutionary factor in industry, according to an announcement this week by the director, Dr. M. Luckeish. He promises sunburn as well as most of the health-giving properties and complete illumination of sun rays.

• • • Standard Oil of New York announces a new gasoline price basis, effective February 1 in New York and New England. The prevailing market for bulk deliveries

at seaboard will be quoted plus a fixed charge for handling, tax and profit, figured down to tenths of a cent. The purpose is to eliminate confusion arising from wide price variations in contiguous territories. A notable departure likely to prove contagious.

• • • A Department of Commerce analysis this week of exports in 1929 finds that of the total valued at \$5,157,409,000, 49.1 per cent was manufactured goods compared with 44.9 per cent of a total of \$5,030,099,000 exports in 1928. An encouraging development, this, which sooner or later will get into tariff debates.

• • • Jewel Tea has undertaken to manage Club Aluminum Utensil for three years, assuming no responsibility for liabilities. Management contracts of this kind in business have some of the characteristics of trial marriages in social life.

• • • American industry absorbs \$26 worth of machinery per capita per year, compared with \$10 in England, \$9 in Germany and five cents in China. This is why our average factory worker's output of merchandise was 50 per cent more in 1927 than in 1919. This fact was brought out by Julius Klein in a talk this week.

• • • Foreign security offerings in this country last year, by Department of Commerce reckoning, amounted to \$716,000,000, compared with \$1,488,000,000 in 1928 and an average of \$1,390,000,000 in the previous five years. This item has an important bearing on foreign trade because of the large part played in the settlement of trade balances by interest on loans to foreigners.

• • • To make some trade policy point, two New York department stores cut cigarette prices this week to seventy-four and seventy-nine cents a carton, respectively. Then they went back to selling cigarettes as merchandise.

• • • The old butter-oleomargarine feud has been revived in Wisconsin, where farmers say the butter glut is intensified by large sales of oleo in farm districts.

• • • The "good-will" (anti-chain) tax bill to be submitted to the New Hampshire legislature on February 18 has been redrafted in view of the opinion of the state Supreme Court. The new bill provides that for the purpose of taxation the value of the good will of retail business shall depend on average stock, gross sales and true net income. This would certainly catch the big companies. How about the little ones that make no statements?

• • • The hundred largest banks in the country show very large gains in the principal items of their reports of condition as of December 31, 1929—total capital, \$1,381,789,000, up \$315,709,000 over 1928; surplus and undivided profits, \$2,187,469,000, up \$464,505,000; deposits, \$21,839,462,000, up \$1,175,844,000.

• • • Plans are under way for a state-wide association of retailers in Alabama. Its objectives are reduced distribution costs, direct purchases and associated sales promotion. Similar associations exist in Ohio and Washington.

New Sales Services Banks Are Offering Marketing Executives

BY D. G. BAIRD

SALES executives of some of America's progressive corporations have been quick to take advantage of recent changes in the banking business. In each of eight or ten important economic marketing areas, they have seen develop one or more outstanding banks with resources totaling hundreds of millions. How these "regional" banks' intimate contact, often with the business of an entire state, has been effectively used is best described by citing typical cases.

A manufacturer of household electrical appliances, which had a national but not sufficiently intensive distribution, decided to enlarge his dealer organization—not an easy task in a highly competitive field. In a certain Middle Western city the factory representative called one day at the big bank. There he told his problem, and the bank found a dealer not only in that city but, also through an affiliated bank, a second dealer in a nearby town.

The matter was brought to the attention of the president of the company. Why couldn't bank influence of this kind be useful in New England and the South? Why shouldn't the company's cash be put to work in this way for the sales department? Seven regional accounts were opened in the next few months—and it's a fiscal policy for this concern that has come to stay.

The example is typical of the attitude and practical helpfulness of a new type of banker who has come to think in terms of industry and who has determined that his bank shall be something more than is required to make it conform with the definition in the dictionary.

"This organization is founded on the principle of practical service," an official of one such banking group

Many banking organizations are now extending their activities beyond the usual banking functions to include various types of service of special value to the sales manager. These services, in some cases, include aid even in such specialized sales fields as the opening of new dealer and distributor outlets. Typical of the new trend in banking are the various instances of specific services rendered as explained in this article.

said. "By this I mean that, instead of generalizing about our service, we demonstrate it by specific accomplishments for clients, some of which are rather unusual in the banking field.

"We undertake to get from behind the counter, as a merchant would say, and look at our business from the client's point of view. In doing so, we see many ways other than the common duties of bankers in which we can be of definite and valuable assistance to them. On this basis, we go to large companies and tell them frankly that we can justify their maintaining a substantial balance with us.

"Consider an example of the most elementary character. We were talking with a large jobber in the builder's hardware line and we wondered what we could do for him other than extend the usual banking services. We told him of some of the things we have done for others, then asked casually whether he did any business with a big building contractor. He never had, but said he would like to very much. Asked whether he would consider it a service if we should arrange for him to meet this man on a personal basis, he agreed it would be a

very valuable service indeed.

Arranging such a meeting was a simple matter, for the contractor was one of our directors. Even had he not been, some one or more of our several hundred executives would have been a personal friend of his and we would have called on him to bring these two men together for their mutual benefit.

"We did not suggest that the contractor buy hardware of this jobber. We merely brought them together under the most favorable circumstances. The contractor must buy hardware and it is to be expected that he give preference to one he knows personally and who has shown a favorable attitude by forming good banking connections in that city.

"Member banks of this group are located in principal cities of the state and when one opens an account with any one of them the facilities of all immediately become available to him, and he has paved the way for a personal acquaintanceship with important men in every major trading area of the state.

"A motor car manufacturer was sending a new distributor to one of our cities and we suggested that he stop off here on the way. He did so and we introduced him to our executives and leading men of the city, told him of the many ways in which we could and would be of service to him, then had some of our executives accompany him to the city where he was to locate, introduce him to the personnel of our member bank there and to prominent citizens, and arrange for the necessary line of credit. The services which we rendered in a few days gave that distributor at least a year's start in business in a strange city.

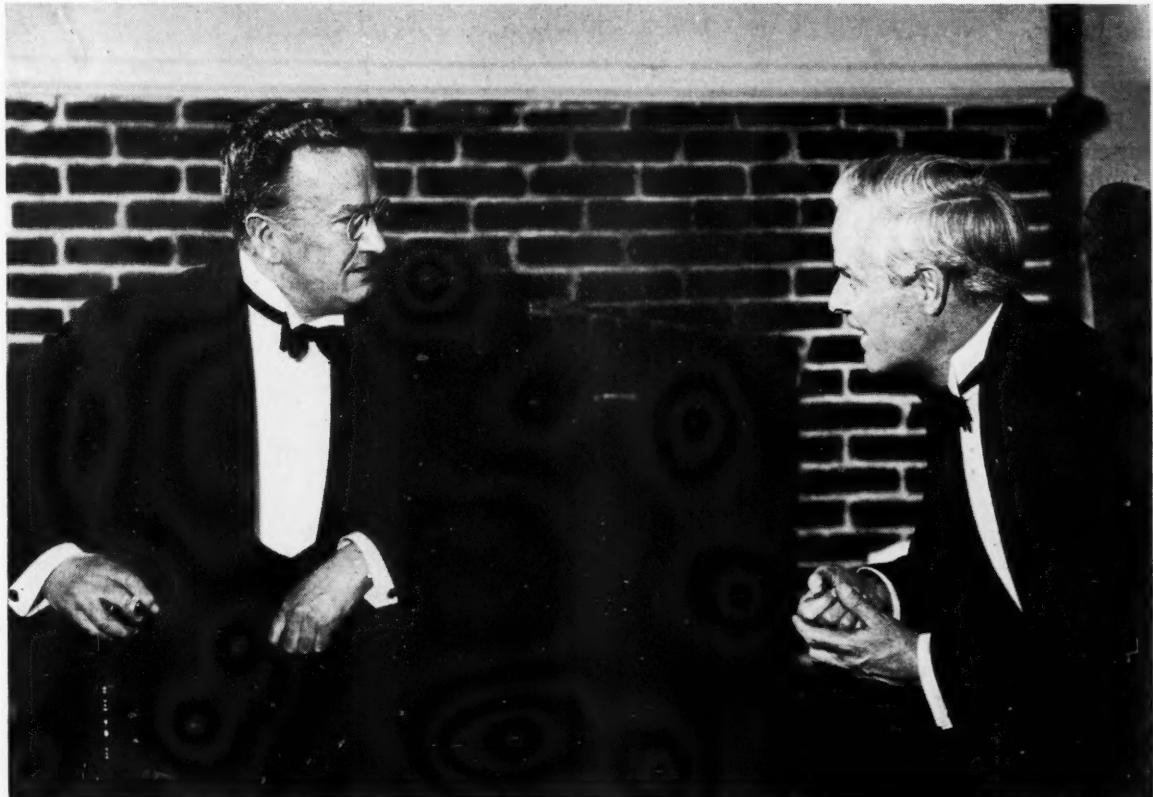
"A clothing manufacturer asked
(Continued on page 226)

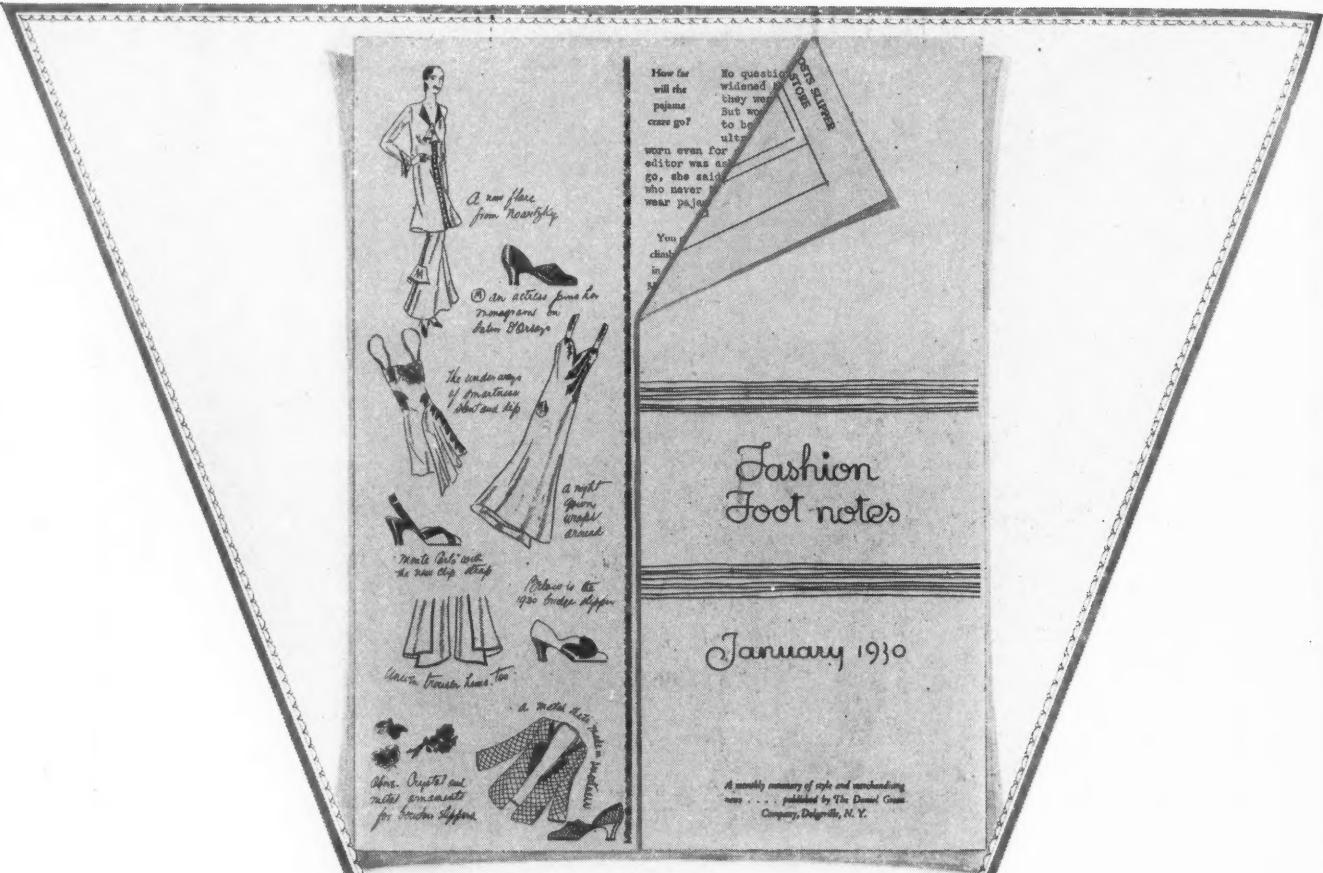


Photos by Anne Shriber

QWhen a chain-store operator was considering opening stores in several cities, his bank not only furnished market data on the cities, but actually aided him in obtaining suitable locations for the stores, and efficient personnel for them.

QOne bank arranged for a meeting, on a personal basis, of a large hardware jobber and a big building contractor this jobber had, prior to that time, failed to sell the outcome was the opening of a large account.





(Above) Enlivened with sketches of the latest in boudoir fashions, and packed with practical ideas being used by successful shops, this monthly "mode - sheet" goes to dealer prospects and buyers.

THE Daniel Green Company, for forty-eight years makers of "Comfys" and other bedroom slippers whose quality and price advantages have brought the widest distribution and largest volume sale of any slipper manufacturer, is now selling its line on a fashion basis with but a slight redesign on some items. This is being accomplished through a tie-up with a fashion in the kindred line of leisure wear or the lounging pajama vogue.

Prior to the new merchandising and advertising campaign now under way, slippers were sold more for their practicability than for their fashion. At Christmas, sales are particularly large and in the Spring sales increase because of traveling, etc. Over a period of years the Daniel Green Company has built up a large business with distribution covering a wide range of department and shoe stores.

In the past two years the vogue for

(Below) Seizing upon the pajama mode as an opportunity for promoting the sale of slippers as a part of the leisure ensemble, the Daniel Green Company is giving a staple product altogether new interest.



lounging pajamas or leisure wear has swept all leisure wear into fashion fame. Footwear, for this type of garment, is not the street shoe. It is a lighter, more casual slipper. The Daniel Green Company saw here a market for an adaptation of the boudoir slipper, and with this product at the masthead took the opportunity to launch their whole slipper line on a fashion wave. If properly tied in with the pajama vogue, not only can extra slippers be sold, but slippers can be made an all-year seller.

To coordinate its advertising and merchandising with this vogue, the Daniel Green Company has taken several radical steps. First of all, it has changed its advertising logotype or trade-mark, made a household word by millions of dollars of advertising over a period of years. From Daniel Green Comfys the change has been to "Daniel Green Leisure Footwear."

Instead of selling slippers exclu-

sively, the advertising now sells the vogue of leisure wear. For instance, the first advertisement, in two fashion magazines, says "It's smart to be lazy, at least in appearance. Fashion is a tyrant, really. For years, she made us active sportswomen. Now, with no warning at all, she chooses to see us charmingly idle most of the day.

"But any feminine heart is easily enticed to idleness by all her glorious new lounging ensembles and the little slippers that Daniel Green has devised to go with them. . . . Some of them gay as gypsy skirts. . . . Others fragile and feminine. In all his years of fashioning intimate footwear, Daniel Green has never made more lovely things. Silk crepes, that glow like pearls, bright kids, satins, exotic metal cloth overlaid with embroideries, velvets—all are ready in your favorite shop to tempt you the first time you pass, etc."

The advertising to women is of two types. In the style magazines emphasis is placed on the leisure mode, as the quotation indicates. The samples of lounging pajamas shown with their coordinated slipper by Daniel Green, are listed with information of a fashion nature. Advertisements running in the general type of women's magazines, do not address an audience as thoroughly educated stylistically, so these four-color advertisements discuss the fashion advantages of individual slipper styles. One advertisement discussed bridge slippers worn with a lounging pajama. Another tells about the Monte Carlo slipper. Each month these advertising pages will stress one type of slipper and its uses.

Tying up with the new theme in advertising is a new merchandising policy. As before, twenty-six salesmen will sell the full line of slippers and "Comfys." But their approach to the shoe buyer will be supplemented by contact with the merchandise manager and the leisure wear buyer. For instance, in a New York store, by coordinating the lounging pajama mode with slippers the sales department has been able to interest

the lingerie buyer in purchasing lounging pajamas particularly suited to types of Daniel Green slippers. In the lingerie department, these lounging wear items will be displayed with Daniel Green slippers. After the pajama is purchased, the customer will be directed to the shoe department to complete the ensemble. Likewise, in the shoe department a few lounging pajamas and slipper ensembles will direct business to the lingerie department after a slipper purchase.

Making the new pajama and slipper ensemble correct for the customer re-

pajamas. Thus, though the shoe store sells no lingerie, it can in this way draw attention to the vogue and sell slippers. Merchandising ideas from the trade are given publicity in this house organ. The fact that a Western store has organized an exclusive boudoir slipper department is news for other department stores. To give added vitality to the importance of footwear, sketches were made at the recent Garment Retailers Show and reproduced in *Fashion Footnotes* within two weeks after the event. *Fashion Footnotes*, published monthly, is expected to accomplish the important educational job of coordinating the merchandising of the pajama and the slipper.

In keeping with the idea of promoting slippers as a part of the lounging ensemble, and in lending to them the aspects of a strictly fashionable product, the various models in the Daniel Green line have been given names whose connotation goes far toward heightening interest in them from a fashion standpoint. One of the models, for example, designed in two shades of bright colored kid, is known as the "Monte Carlo." Another model, in satin, is known as the "Bridge" slipper.

Here, then, is an excellent example of a more or less staple product that is experiencing a marked revival of interest on the part of dealers and consumers solely through the device of falling in line with a prevailing mode and capitalizing the impetus that mode already enjoys. One of its strongest angles from a selling standpoint lies in the fact that, under the new method of merchandising slippers, the salesmen can continuously be fed with new ideas to talk about to prospects and customers. No longer are they limited to comfort and wearability as sales points. Every time a new pajama number appears in the showings of a designer, the company can choose an appropriate slipper to promote as a companion item. Manufacturers in other fields who appreciate the vital necessity of finding "something new" to present to buyers, will recognize the important advantage such a plan offers.

A Staple Product Crashes the Gate of Fashionable Society

BY HERBERT KERKOW

"A fashion angle! A kingdom for a fashion angle!" Thus has risen the prayer of many a manufacturer of prosaic staple products—products which consumers threaten to neglect in favor of items swept to popularity on the crest of a style wave. The Daniel Green Company is demonstrating how a product more or less "style-less" in character can annex a fashion appeal by relating itself to current modes in other lines.

quires much educational work with department store stylists and buyers. For this purpose, trade paper advertising and a style and merchandising bulletin called *Fashion Footnotes* is being sent stylists, fashion coordination departments, lingerie and shoe buyers and merchandise managers of department stores.

Fashion Footnotes sells the idea of the leisure wear ensemble, containing authentic fashion news on the lounging pajamas and slippers. It shows what the smart pajama designers are doing, mentions them or the stores by name and shows the appropriate Daniel Green slipper. It also includes merchandising ideas for all its readers, such as a suggestion that slipper saleswomen in shoe stores wear model

New Packages Relate Six Items in Drug Line

SINCE Daggett and Ramsdell, the oldest existing manufacturer of toilet preparations, brought out their first product, a cold cream, in 1890, five other products and a cold cream tube have been added to the line. Package styles then were different from now and, as different products were added to the line, they kept the general red, blue and white color scheme, slightly modernized in keeping with the times. The result was that as late as a year ago the Daggett and Ramsdell line looked unrelated. Furthermore, with so much emphasis being placed today by competitive cosmetic makers on the beauty of the package, Daggett and Ramsdell products were relegated in most drug stores to the proprietary medicine division.

Despite the apparent loss of all the good will and recognition that many years of advertising had built up for these seven different pack-

The Daggett and Ramsdell line formerly looked unrelated, for each of the seven items had a different package. This year the containers have been completely redesigned and the entire family is dressed alike.



ages, Daggett and Ramsdell, in celebration of its fortieth anniversary this year, completely redesigned the containers. The old color scheme was done away with and black, gray, silver and white, suggestive of

To emphasize the excellence of the new containers and the beauty of the line, each salesman shows the products from a specially designed case, where they are displayed against a background of cornelian silk.



the scientific laboratory, were used. These colors are dignified and neutral enough to harmonize with almost anything on milady's boudoir table. A new trade-mark, plus serviceable and attractive containers, are other changes making the line distinctive.

When introduced in certain test areas the new line secured 75 per cent distribution in two weeks. With the test thus made, the whole line is now being introduced to the trade in a large trade paper campaign, supported by national magazine and rotogravure newspaper advertising. Nine national magazines received a double spread for the first advertisement and will be followed by page insertions for the remainder of the year. A newspaper weekly magazine reaching 636 cities is also being used. In twelve cities Sunday rotogravure newspaper advertisements are in for an extended schedule. Window display showings in January and February are also announced.

In order to start the ball rolling
(Continued on page 225)

F R A N C E

General Representation and Advice

*For Americans doing business in France or
Americans at home in need of an experienced
representative in Paris*

SELLING

PURCHASING

STYLE FORECASTS

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Our clients, in investigating markets or in establishing themselves in Europe, have led our Paris organization into many fields of work beyond the usual scope of advertising agency service. With a personnel of thirty-five experienced Americans, Frenchmen, Englishmen and others, we are equipped to help American business in Europe or to act as the French representative of a business in the United States. Write to either Paris or New York for further information.

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The Trading Area Riddle—How One Publisher Answers It

BY WALTER MANN

HOW to determine the outline of the trading area around a given center, how to combine these areas into a composite representing the entire United States as a market, and how to apply appropriate buying power factors to these areas so that the resultant index figures will truly reflect the potential of each area in terms of many types of retail merchandise—from canned goods to fur coats—these briefly are the questions facing the manufacturers and the distributors of such merchandise today.

Clearly the first thing to do in such an effort will be to describe one of the outstanding systems advanced by well-known students of this engrossing subject, and then to throw the subject open to free discussion of the apparent advantages and disadvantages of the system, in the hope and expectation that some method, system or formula will result that will materially lower the appalling wastes that all of us know exist. The production fraternity, facing a similar situation, responded with a marked lowering of costs. We are confident that a similar saving can and will be brought about in distribution.

No more appropriate time could be chosen for the airing of this problem. With the 1930 census already in process, and the tabulations about to be made, the determination of the form or forms in which these tabulations will be most valuable to all of us who expect to use "people" as one of the determining factors in sales control is as much up to us as it is to the Bureau of the Census.

If we want our population data by states, by Federal Reserve districts, by counties, by cities, by towns or by areas, it is up to us to say so, and to show exactly how we want them before rather than after the census figures are published. The Bureau of the Census has shown the greatest interest in giving business what it needs to secure continued prosperity. It is our own fault under such circum-

stances if we don't get what we want.

In this issue we present for the frank and unbiased comment of our readers a brief description of "The Trading Area System of Sales Control" as conceived and published by the Marketing Division of the International Magazine Company.

This book is the result of several years of intensive study of markets. It represents the carefully worked-out ideas of F. D. Wood (a former director of the Marketing Division), F. K. Anderson, the present director, and L. J. McCarthy, associate director, as well as those of other associates engaged in the study, from time to time. It is particularly worthy of comment, inasmuch as it contains for the first time a detailed explanation of the basis on which its areas and its index figures for area evaluation have been worked out. It is a frank and pointed statement of this organization's point of view on the subject. We are particularly anxious that those who have put or who are putting these areas to actual test, as well as those who have not done so but have had an opportunity to study the system, give us their views as to its good as well as its bad features.

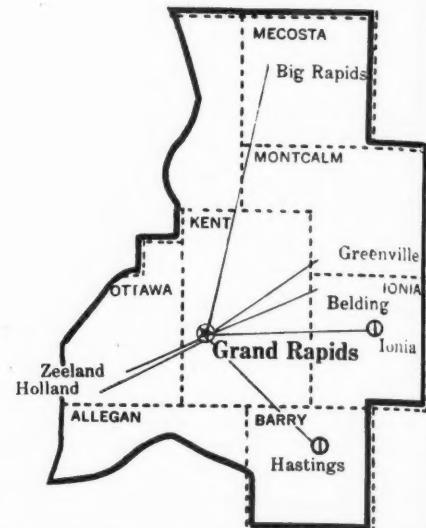
We quote herewith excerpts from the preface of "The Trading Area System of Sales Control," which reflect the book's point of view on the all-important subject of area delineation:

"To determine intelligently what it costs to sell goods in various places requires an examination of the conditions which affect sales."

"As now drawn, our maps define (632) trading area boundaries at the farthest points from which the consumer is in the habit of coming to the trading center for shopped-for merchandise. For some products many trading centers must in turn trade upon other larger distributive centers."

"The necessity to travel in order to buy imposes a natural sales resistance which makes those consumers who are

(Continued on page 227)



In drafting trading area boundary lines the International Magazine Company has been guided by consumer buying habits rather than county lines. This map is typical.

An \$8,000,000,000 Distribution Waste—What Is Being Done to Eliminate It?

The annual loss—due to wasteful methods in marketing—has been estimated at from eight to ten billion dollars! So says the Marketing Division of the International Magazine Company in its recently published book—"The Trading Area System of Sales Control."

"This condition," the book then goes on to state, "constitutes the most serious challenge to American business efficiency. Nowhere else will sound thinking pay greater dividends than in an endeavor to pare down this waste."

SALES MANAGEMENT—long cognizant of this challenge to the ability of the distribution fraternity, and of their efforts to solve an extremely complicated riddle—believes that considerable duplication of effort will be eliminated, and much time and money saved, if all those having ideas on this vital subject will collaborate in a free and unbiased discussion in the columns of this magazine.

How to Find the Best Method for Paying Your Salesmen

BY
LINCOLN
LOTHROP*

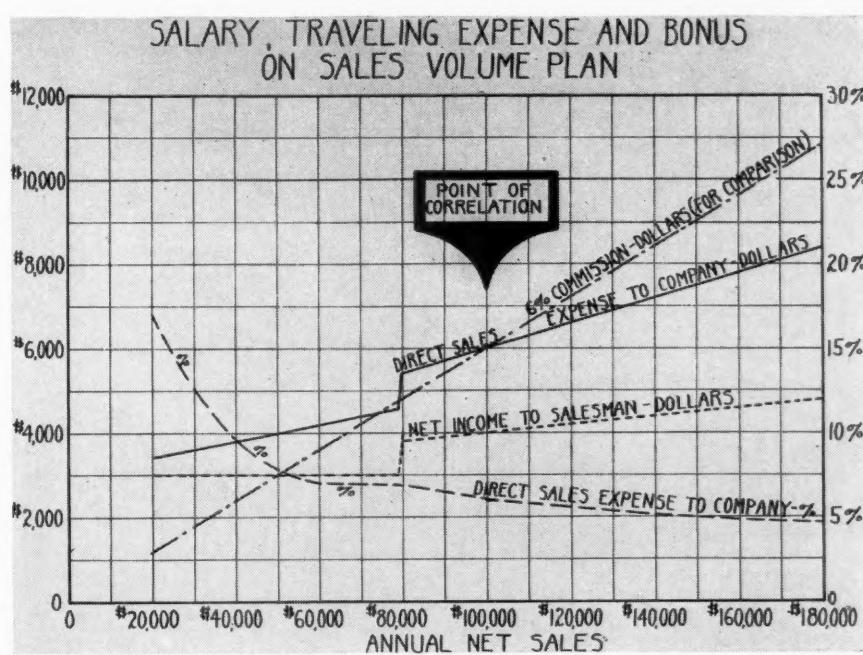
Secretary and Director of Merchandising,
Bigelow, Kent, Willard &
Company, Inc., Boston

WITH the coming of the new year one of the questions in the minds of many sales executives is: "Are we paying our salesman in the way which best fits our business?"

The majority of types of salesmen's compensation are covered in this group of four articles, of which this is the third. Seven general groups of methods for compensating salesmen were reviewed in the first article, while the second dealt with some of these plans in detail. Those plans which have been given in detail are: straight commission, sliding commission, stepped commission, salary and traveling expenses, and salary, traveling expense and commission.

This article deals with four additional plans: salary, traveling expense

*This is the third of a series of articles by Mr. Lothrop dealing with various plans for compensating salesmen. The others appeared in the December 14 and January 18 issues.



and bonus on a sales volume; salary, traveling expense and bonus on net profits; salary, traveling expense and bonus on quota attainment; and salary, traveling expense and bonus on low selling expense.

Three more types of compensation will be considered in the fourth article, which terminates with a comparison of direct sales expense to the company of various plans considered.

Salary, Traveling Expense and Bonus on Sales Volume Plan

In order to induce salesmen to increase their efforts to bring sales out of the lower volume ranges, and in order to keep down sales expense on men producing smaller amounts of business, a bonus on net sales above a set quota is sometimes substituted for commission in the salary, traveling expense and commission plan.

In the example shown in the accompanying chart and table the salary paid is \$3,000, with a bonus of 1 per cent on net sales of \$80,000 and above.

The advantages of the salary, traveling expense and bonus on sales volume plan are:

Same as salary and traveling expense plan. (See Article II.)

Possibility in slack times of reducing salaries by increasing commission rate.

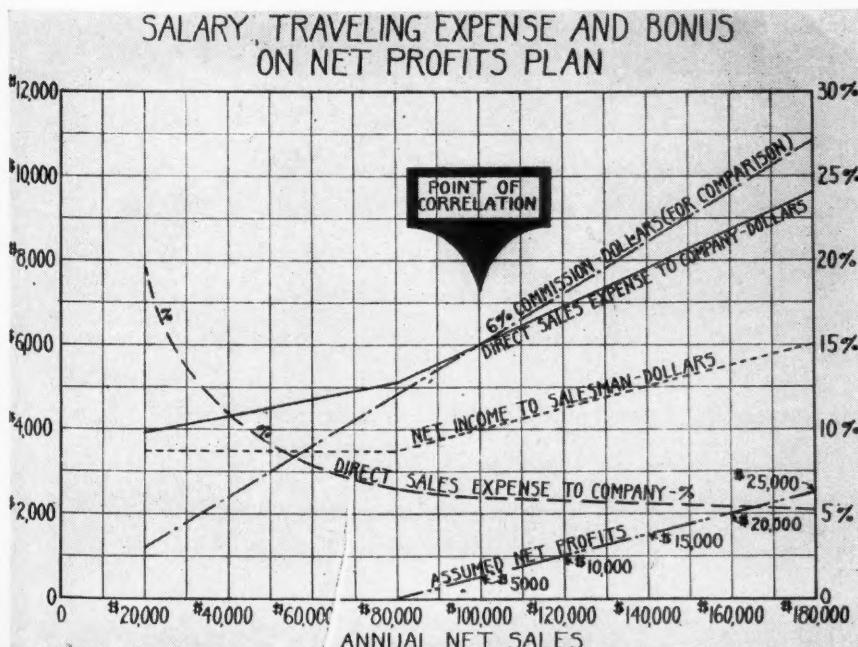
Incentive to produce sales in the higher ranges.

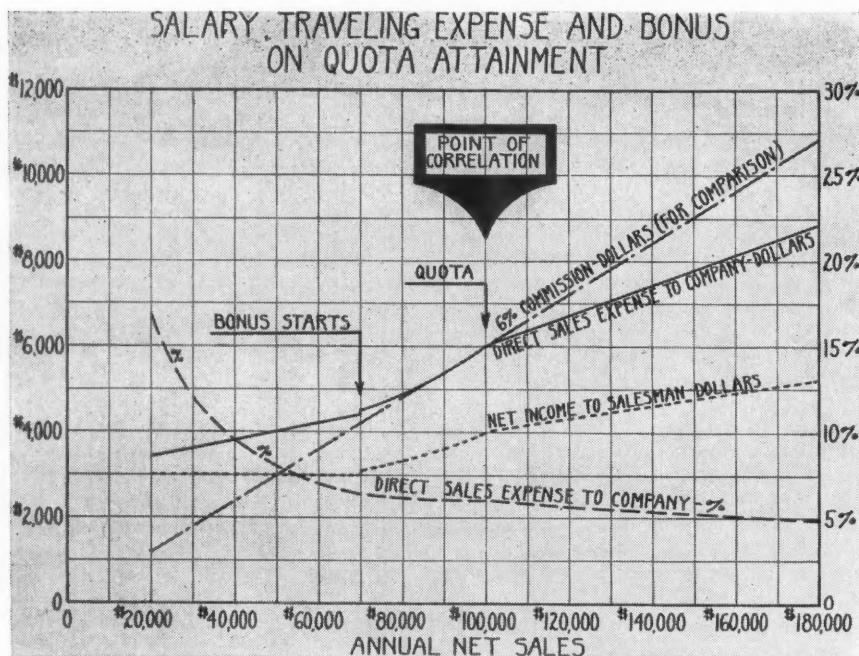
The disadvantages of the salary, traveling expense and bonus on sales volume plan are:

Same as salary, traveling expense and commission plan. (See Article II.)

Salary, Traveling Expense and Bonus on Net Profits Plan

In an endeavor to limit price-cut-





ting, which is encouraged by compensation plans whose incentive is based on sales volume alone, a plan has often been tried which uses net profit as a basis for payment of bonus. It would seem as though such an arrangement might be ideal, and the solution is one towards which harassed sales managers turn as a panacea for price-cutting, only to find that gains in this direction are often small and resulting disadvantages great.

In the example used, illustrated in the chart (205) and table (210), the "break-even point" of the business is taken at \$80,000, above which point an assumed net profit ranging from \$5,000 on \$100,000 net sales to \$25,000 on \$180,000 net sales, is indicated at the bottom of the chart. A bonus of 10 per cent on net profit is paid the salesman; salary is \$3,500; traveling expense, 2 per cent of net sales.

The advantages of the salary, traveling expense and bonus on net profits plan are:

Same as salary, traveling expense and commission plan.

Salesman is induced to push high profit items to increase company's net profits and hence his own earnings.

Salesman is induced to keep sales expenses low.

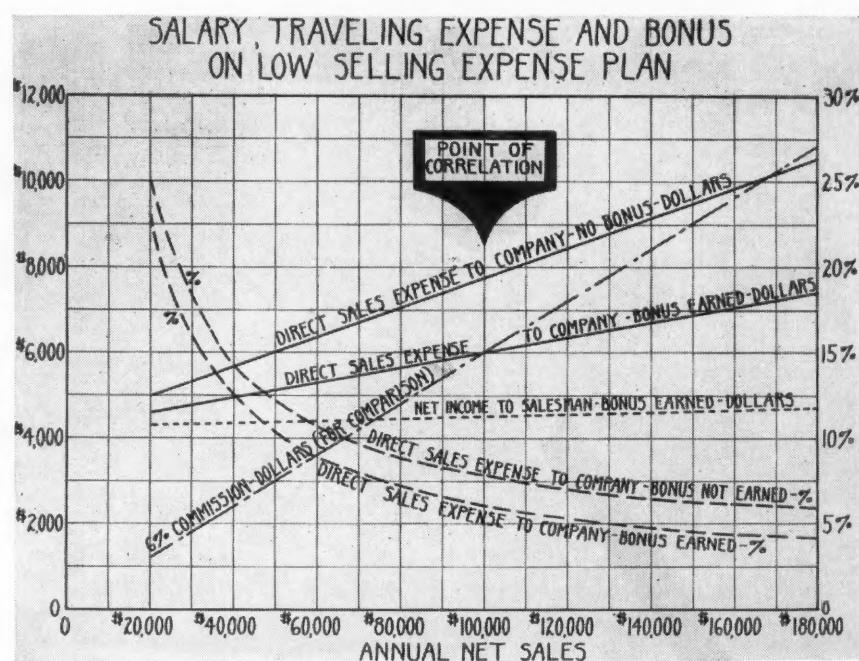
The disadvantages of the salary, traveling expense and bonus on net profits plan are:

Same as salary, traveling expense and commission plan, except for controlling proportion of high and low profit sales, and placing emphasis on sales volume.

Unfortunately, the salesman is always suspicious of the company's calculations of net profit and believes

The salesman, being human, often forgets net profits in the heat of a hard-fought sales battle, and makes his sale regardless of the effect on his bonus. He feels that half a loaf is better than no bread and when he is allowed leeway in price-making, often behaves as though he had never heard of the bonus on profits. This prevalent tendency is most exasperating to the swivel-chair sales manager, who thought all his perplexities had been solved by switching to a plan which used net profits as a basis for compensation.

Variations of this plan are commission with bonus on net profits, and commission on net profits. Other than compensation plans based on net profits, there may be plans with more opportunities for causing misunderstandings between the field force and the home office personnel, but strict search has failed to reveal them.



that "excess overhead" has been added to cut down his compensation. In only the rarest instances does the salesman retain a childlike belief in the company's good faith. Experience shows that his customary cynicism is all too well justified just as in the factory, for many executives feel that the men are "earning too much for their own good" and resort to subterfuges to reduce the amount of net profit reported to the sales force.

The salesman, having no control of many factors which enter into the profits of the company, feels he is being unjustly penalized for failure of the management to produce economically or finance advantageously, and becomes disgruntled.

Salary, Traveling Expense and Bonus on Quota Attainment Plan

Graphically, and in tabular form, the development of the salary, traveling expense and bonus on quota attainment plan is shown.

An annual quota is set up—in this case, \$100,000—and the salesman's annual salary has been set at 3 per cent of quota, which, let us assume, has been determined to be not only fair to the house but also to provide the salesman with an adequate living amount. A bonus of 35 per cent of salary, or \$1,050, has been allowed for quota attainment.

At 70 per cent fulfilment of quota, the salesman is paid 2 per cent, and,

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them.

not only assure supreme comfort for the driver, but protect the entire upper structure of the car from unwarranted shocks and strains.

No less rugged and substantial than Oldsmobile's chassis are Oldsmobile bodies. Designed and built by Fisher, they incorporate the most enduring construction known to the body builder's art—a combination of selected hardwood and steel, rigidly braced and liberally insulated with fabric to prevent possible squeaks and rattles. Distinctively smart in appearance, exceptionally roomy, handsomely upholstered in long wearing materials, and providing such advancements as the VV windshield and adjustable driver's seat—Oldsmobile bodies offer two further factors of intense practical value in a business car. They contribute to gratifying comfort which brings your representa-

tive to his destination refreshed and mentally alert; and they possess, to an unusual degree, the smart appearance which in a business car builds business prestige.

Investigate Oldsmobile today as a business car. Compare its value. Judge it on the basis of its ability to contribute to the increased efficiency of your field force—and you, like others all over America, will see the economy of buying Oldsmobile.

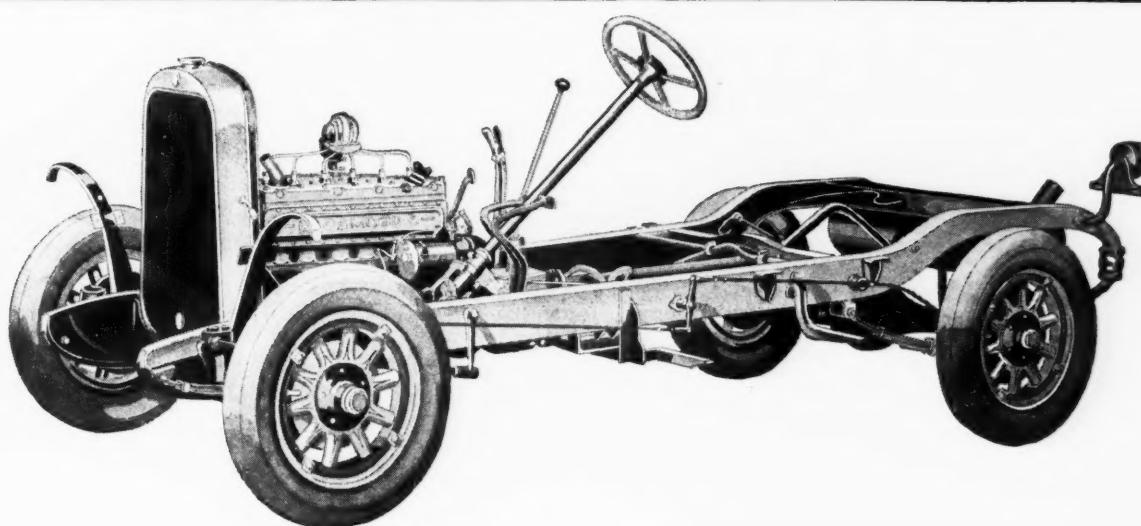
OLDS MOTOR WORKS, LANSING, MICHIGAN

COUPE OR TWO-DOOR SEDAN . . . \$895 FOUR-DOOR SEDAN . . . \$995

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Consider the delivered price as well as the list price when comparing automobile values. Oldsmobile delivered prices include only reasonable charges for delivery and financing.



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Double-ribbed crankcase . . . balanced crankshaft . . . rubber engine mountings . . . full-pressure lubrication . . . crankcase ventilation . . . oil filter . . . air cleaner . . . controlled cooling . . . full-length vertical radiator shutters . . . motor-driven fuel pump . . . silenced chassis . . . silenced interior . . . double-cushioned universal joint system . . . spring-cushioned clutch core . . . self-adjusting spring shackles . . . extra-heavy, "low-dropped" tapered frame . . . quick, positive enclosed four-wheel brakes . . . angertip steering . . . high-pressure chassis lubricating system . . . four Lovejoy hydraulic shock absorbers . . . Fisher Bodies . . . VV windshield . . . gasoline gauge and engine temperature gauge on dash . . . and many others.

OLDSMOBILE

The CAR FOR BUSINESS



PRODUCT OF
GENERAL MOTORS

Salary, Traveling Expense and Bonus on Sales Volume Plan

Bonus 1 Per Cent on Net Sales of \$80,000 and Above

	<i>Basis</i>								
Net Sales	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000	\$140,000	\$160,000	\$180,000
Salary	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Bonus on Salary .....	.....	.....	.....	800	1,000	1,200	1,400	1,600	1,800
Traveling Expense, 2 Per Cent.....	400	800	1,200	1,600	2,000	2,400	2,800	3,200	3,600
Total Direct Expense	3,400	3,800	4,200	5,400	6,000	6,600	7,200	7,800	8,400
Net Income to Salesman	3,000	3,000	3,000	3,800	4,000	4,200	4,400	4,600	4,800
Pct. Dir. Sales Expense to Co.....	17.0	9.5	7.0	6.8	6.0	5.5	5.1	4.9	4.7

Salary, Traveling Expense and Bonus on Net Profits Plan

Assume Net Profit as Shown Below; "Break Even Point" at \$80,000

	<i>Basis</i>								
Net Sales	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000	\$140,000	\$160,000	\$180,000
Net Profit .....	.....	.....	.....	.....	5,000	10,000	15,000	20,000	25,000
Salary	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Bonus on Net Profit, 10 Per Cent.....	.....	.....	.....	.....	500	1,000	1,500	2,000	2,500
Traveling Expense, 2 Per Cent.....	400	800	1,200	1,600	2,000	2,400	2,800	3,200	3,600
Total Direct Expense	3,900	4,300	4,700	5,100	6,000	6,900	7,800	8,700	9,600
Net Income to Salesman	3,500	3,500	3,500	3,500	4,000	4,500	5,000	5,500	6,000
Pct. Dir. Sales Expense to Co.....	19.5	10.8	7.8	6.4	6.0	5.8	5.6	5.4	5.3

Salary, Traveling Expense and Bonus on Low Selling Expense Plan

Salesman Saves One-quarter Traveling Expense
Bonus—One-half Saving on Allowed Traveling Expense

	<i>Basis</i>								
Net Sales	\$20,000	\$40,000	\$60,000	\$80,000	\$100,000	\$120,000	\$140,000	\$160,000	\$180,000
Salary	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Allowed Traveling Expense, 2 Per Cent..	400	800	1,200	1,600	2,000	2,400	2,800	3,200	3,600
Actual Traveling Expense	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700
Traveling Expense Bonus	50	100	150	200	250	300	350	400	450
Tot. Dir. Exp.—Bonus Earned	4,600	4,950	5,300	5,650	6,000	6,350	6,700	7,050	7,400
Net Income to Salesman	4,300	4,350	4,400	4,450	4,500	4,550	4,600	4,650	4,700
Pct. Dir. Sales Exp. to Co.—Bonus Earned	23.0	12.4	8.8	7.1	6.0	5.3	4.8	4.4	4.1
Tot. Dir. Exp.—Bonus Not Earned	4,950	5,650	6,350	7,050	7,750	8,450	9,150	9,850	10,550
Pct. Dir. Sales Expense to Co.—No Bonus.	24.8	14.1	10.6	8.8	7.8	7.0	6.5	6.2	5.9

Salary, Traveling Expense and Bonus on Quota Attainment Plan

Salary and Bonus 4 Per Cent of Quota

	<i>Basis</i>								
Total Net Sales	\$60,000	\$70,000	\$80,000	\$90,000	\$100,000	\$120,000	\$140,000	\$160,000	\$180,000
Quota	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Salary	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Bonus .....	.....	60	270	600	1,050	1,350	1,650	1,950	2,250
Traveling Expense, 2 Per Cent.....	1,200	1,400	1,600	1,800	2,200	2,400	2,800	3,200	3,600
Total Direct Expense	4,200	4,460	4,870	5,400	6,050	6,750	7,450	8,150	8,850
Net Income to Salesman	3,000	3,060	3,270	3,600	4,000	4,350	4,650	4,950	5,250
Pct. Dir. Sales Expense to Co.....	7.0	6.4	6.1	6.0	6.0	5.6	5.3	5.1	4.9

as shown on the curve, "Net Income to Salesman—Dollars," the bonus is paid in increments as follows:

70% Quota	2% Bonus
75% Quota	5% Bonus
80% Quota	9% Bonus
85% Quota	14% Bonus
90% Quota	20% Bonus
95% Quota	27% Bonus
100% Quota	35% Bonus
105% Quota	37.5% Bonus
110% Quota	40% Bonus
115% Quota	42.5% Bonus

Up to 100 per cent quota the bonus is on a basis of arithmetic progression of first differences (e.g., 2, 5, 9, 14, 20, or 4, 10, 18, 28, 40), but above 100 per cent the basis is a straight line of increase.

It is only fair to consider that a sales volume increase above the cal-

culated and assigned quota of 100 per cent is due to the external variable of market consumption, over which neither the salesman nor the sales control has much influence. The salesman, therefore, does not deserve as great a compensation for such excess returns, inasmuch as he is guaranteed a salary at all times equal to three-fourths of his earnings, and is thus cared for when market consumption or unusual competitor activity increases the sales resistance.

Bonuses of this nature should preferably be paid on monthly quotas which have been broken down from yearly quotas in proportion to the expected amount of monthly business.

The advantages of the salary, traveling expense and bonus on quota attainment plan are:

Same as salary and traveling expense plan.

An incentive to reach a comparatively easy goal.

Further incentive to reach higher goals paying higher returns.

A definite task to accomplish.

Control of items to be sold (by inclusion in the bonus method).

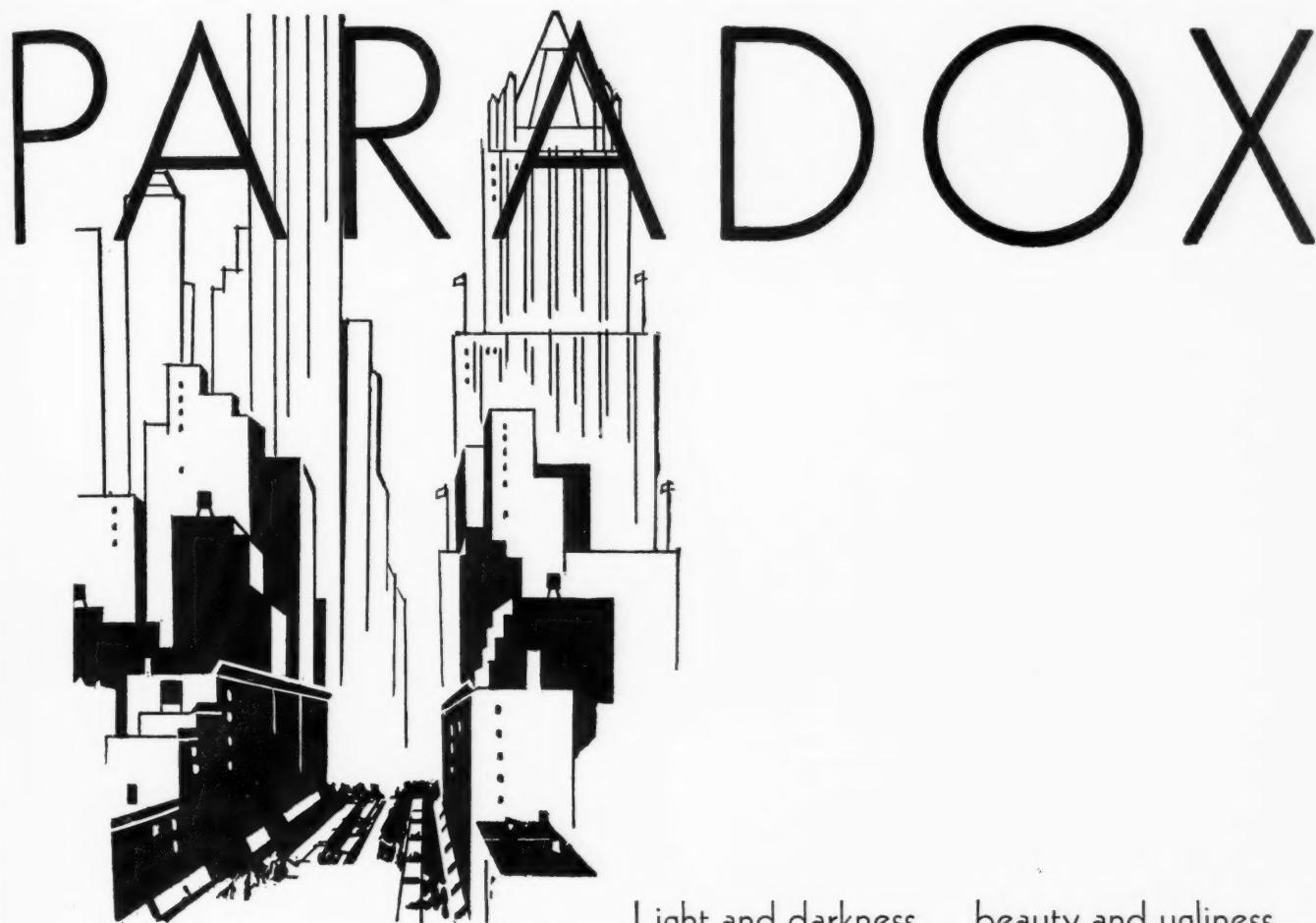
The disadvantages of the salary traveling expense and bonus on quota attainment plan are:

Poor producers must be discharged, as they will not eliminate themselves as under commission plans.

Emphasis is on sales volume (unless profitability of sales is included in a part of the bonus).

Salesmen are sometimes suspicious of the plan (although after installation)

(Continued on page 224)



Light and darkness... beauty and ugliness...

success and failure... love and hate... New York... city of contradictions... Dublin and Jerusalem.. Paris and Tokio... Moscow and Madrid... Glasgow, London, Milan, Savannah, Kansas City, Seattle... all in one... and yet there is one consistent group within this conglomeration... a solid bloc of day-by-day New York American readers . . . as well as the million-and-more who pay ten cents for the New York American every Sunday... a real market for you.

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The Peanut Business that Grew to Million-Dollar Size

BY ALLEN REID

Sales Manager, Tom Huston Peanut Company
Columbus, Georgia

On rainy days Tom Huston's father used to give him the job of shelling peanuts for planting. He saw opportunities in this lowly product, and in 1925, in a little wooden shack in Columbus, Georgia, he set up a business. In less than five years' time, volume reached \$2,500,000. The sales policies that built the company are outlined here by the sales manager.

A CHANGE from jobber distribution to a policy of selling direct to the retail trade through their own distributors marked the beginning of a growth which, in less than five years' time, has brought sales for the Tom Huston Peanut Company above the two-and-one-half-million-dollar mark. At the beginning of this year the company was selling 2,250,000 bags of peanuts a week, in twenty-two states.

When Tom Huston began his peanut roasting business in April, 1925, he sold through jobbers. But this method of distribution didn't seem to work out. The salesmen loaded the jobbers up, and the jobber, in turn, overloaded the retailer, usually selling in ten-pound units. Sometimes a jobber would have these cans on hand for months before selling them to a retailer, then it would take the retailer one to five weeks to clear his stock. Result: the consumer got unpalatable, stale peanuts.

So the whole plan of distributing through jobbers was scrapped. The company set up its own distributors, and began direct delivery to the trade in small quantities, once a week. New measures were developed to insure maximum freshness to the consumer.

Every distributor, for example, was required to furnish a truck. He was

required to call on every dealer once a week, each time on the same day of the week. If the merchant hadn't sold all of his previous week's stock by the time the distributor's salesman arrived, the old stock was replaced with fresh peanuts.

The company even went so far as to guarantee the sale of its product. If a dealer was not satisfied with his volume on Tom Huston peanuts, his stock was taken up and his money refunded.

Daily shipments were made to distributors on a sight draft basis, with bill of lading attached. Distributors, in turn, were asked to sell for cash. In presenting the plan to distributors, the company pointed out that "this is the prettiest way in the world to do business. You pay for your goods in the morning, and by night you have your cash out of them plus a profit. No accounts. No credits. No dealers running away from you because they owe you something."

After a distributor's agency was opened, the first thing we did was to investigate all the routings possible to select for the distributor a route which would deliver our products in the shortest length of time. Then we took an average of two weeks' shipments to see how long it required stocks to reach their destinations. Our bank furnished us with a semi-weekly report showing items outstanding against each agency. This list was compared with the average time of delivery,

so we could tell almost to a dollar how much merchandise each distributor had in his depot. When any agency had a shipment on hand that was as much as two weeks old, we automatically cut off his shipments until the situation was relieved; in the meantime we contacted the outlet to see what the difficulty was.

When a distributorship was set up, one of our district representatives helped the agent get started. We have nine special men who do nothing but "shoot trouble" and help new distributors break new territory. They drive home to the distributor the fact that he must make from sixty to one

(Continued on page 224)



The peanut merchandiser was so successful that the same method of display was adopted when the company introduced a new candy product called "Hi-pop".

STAFF MEMORANDUM

January 24, 1930.

from ADVERTISING Department.....to.....EDITORIAL Department
CIRCULATION "

Subject: "OVER THE TRANSOM" Business.

Our first three January issues carried 23% more business than corresponding issues last year. The SALES MANAGEMENT advertising department is fighting hard for business—winning here, occasionally losing there. That is normal.

But in addition to the business won by direct sales efforts, an unprecedented number of good advertising orders have come in by the "over the transom" route since the first of December.

That is, the orders came to us without active solicitation.

The company or its agency may have been on our promotion list to receive occasional letters or circulars, but no representatives had called on them. They can't be everywhere at once, and were working elsewhere. So the magazine was its own salesman.

Publishers usually consider such business—and rightly so—to be the best possible indication of good will toward their publication, an appreciation of its power and influence, an understanding of its market.

And so the Advertising Department takes its hat off to the members of the Editorial and Circulation staffs. You deserve the greatest share of the credit for this welcome but unexpected business; credit to the editors for selecting articles and news to appeal to the best marketing brains of the country; credit to the circulation group for seeking out those big men and telling them what they will find each week between the covers of SALES MANAGEMENT.

So here is credit—where it is due.

(Signed)
The Advertising Department,
SALES MANAGEMENT, Inc.

Gillette Program Precipitates Sharp Razor Promotion Battle

BY LAWRENCE M. HUGHES

Gillette Safety Razor Company's \$10,000,000 world-wide advertising program for its new razor and blade, to start next month, will be met with increased promotion efforts by the American and AutoStrop safety razor companies, its two largest competitors, in a three-cornered merchandising battle which will be perhaps the most intense this highly competitive industry has experienced in twenty-nine years. Gillette's campaign, formally announced the other day in a broadside to 200,000 dealers, will involve an appropriation in the United States alone of \$7,500,000—50 per cent more than for last year. The rest will be spent for space in publications in almost every other country in the world—nearly 50 per cent of Gillette's production being sold abroad. Advertisements will appear in 2,696 languages, dialects and vernacular. In this country the advertising will be run in "dominating space" in 187 newspapers, thirty-four magazines, and other media. It will start with five-page copy in color in each of five weekly magazines, and will be followed with double-page color advertisements in these same publications and single pages, black and white, in twenty-nine others. Window displays for its 200,000 drug, cigar store and other outlets in this country are also being provided.

Coincident with the Gillette announcement, executives of AutoStrop told its sales force of plans to increase its appropriation about 75 per cent. Much of this amount will be spent in newspapers and magazines to promote the company's new Probak blades—the campaign for the Valet AutoStrop line of razors and blades being continued on a slightly larger scale than before. Probak is now being advertised in 700 newspapers. AutoStrop is completing plans for the introduction, in a few months, of a new razor of its own. This razor, like Gillette's, will also be "radically different." Incidentally, the new Gillette razor, AutoStrop executives claim, is a plagiarism on some of its own patents. A law suit may further intensify the merchandising battle. In the meantime, American Safety Razor Company, second to Gillette in size and manufacturing a wider diversity of lines, will not be idle. This company makes Gem, Star and Ever-Ready razors and blades, shaving brushes—a

complete line under each name—and shaving accessories. American will also increase its advertising efforts. The most of them, however, will go not into publication advertising but into combination deals. One of these, launched a few days ago, offers a \$1 Ever-Ready razor and two blades, a tube of shaving cream and a 50-cent bottle of talcum powder, both its own brands, for 49 cents. Another, to start soon, will present a Gem razor, shaving cream and brush for half a dollar. A combination deal for Gillette with one of the largest shaving cream manufacturers is expected soon.

In the past year there have been many "deals" on safety razors. An AutoStrop razor and leather strop were given with two packages of blades purchased at the customary retail price of one dollar. A Gillette razor was given with a thirty-five-cent tube of shaving cream. A cabinet, made to fasten to the wall, and containing a Gem razor, package of blades and shaving cream, was sold for a dollar, and an Enders razor with two blades for fourteen cents, the cost of the blades.

Nearly all drug stores now stock several blades of the Gillette type and two New York cutlery stores were found to carry no less than thirteen domestic and imported brands. Medium-sized drug stores had from four to six such brands.

Announcement of the new Gillette razor has caused dealers to reduce stocks of blades and subsequently at least one manufacturer has cut prices. Enders Razor Company advertised its razor in a general magazine for the first time last year. The campaign will be continued in the same weekly, an advertisement appearing every other week. Other magazines may be added later.

Gillette, largest, is also the oldest of the "big three." The company was incorporated in 1901 under the leadership of King C. Gillette, who is still its president, although the executive responsibilities, with the growth of the organization, have been divided. American Safety Razor Company, in its present form, is eleven years old. It was created to take over the Gem and Star Safety razor corporations. Much of its business is done through the United Cigar Stores Company, which has a large stock interest in it.

AutoStrop, like the others, also sells internationally—having factories in Toronto, London and Rio de Janeiro, as well as Newark and New York. Its business, founded in 1906, is concentrated almost wholly in razors, blades and strops.

Frigidaire Will Spend \$6,500,000 in 1930; Raises Sales Quota

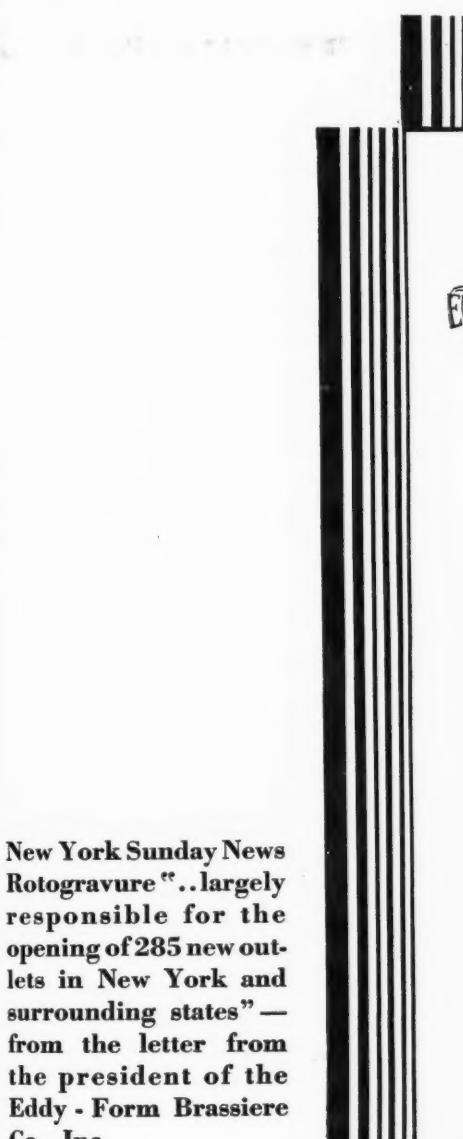
Six and a half million dollars will be spent by the Frigidaire Corporation, Dayton, in advertising this year, E. D. Doty, advertising manager, told 1,000 dealers and their salesmen of the New York territory this week, at one of thirteen regional conventions now being held throughout the country. The appropriation will include newspapers, magazines, posters, dealer helps, radio and contests. Based on an increase of 25 per cent in sales last year, the corporation has budgeted its quota correspondingly higher for 1930, as was announced.

Commercial applications are to be given special emphasis. Other sales possibilities to be developed this year will include the supplying of cold water in the home at different faucets, each faucet being supplied by the one refrigerator, a refrigerated service box at the rear of the house for grocery and meat deliveries, and the refrigeration of rooms. This last development is still embryonic.

Different Frigidaire services will be emphasized at special seasons. In March there will be a national hydrator week; in May, the multi-cold refrigerator will be the theme of concentrated advertising and sales effort. The corporation has provided new sales manuals—among them a merchandising handbook for dealers, containing information on window displays, mailings and similar subjects, and an apartment house manual for salesmen.

Twenty thousand dollars in gold were presented at the convention to salesmen in the company's yearly B. t. u. (British thermal unit) contest. The convention was addressed by several executives of the company, and by Elizabeth Stone MacDonald, home economist, who described the working of the new hydrator, a special compartment for vegetables and foods that need added moisture. Playlets, illustrating sales approaches, were shown between speeches.

Sales conventions are an important item in Frigidaire's promotion budget, costing the company about \$400,000 a year.



TEL. LONGACRE 8195-8196

EDDY-FORM BRASSIERE CO., INC.


MANUFACTURERS OF
BANDEAUX - GIRDLES
COMBINATIONS
12-14 WEST 32ND STREET
NEW YORK


January 13th, 1930

Mr. Warren Rinenberg
The News
25 Park Place
New York City

Dear Mr. Rinenberg:

The results from our exclusive rotogravure advertising in the Sunday News are very gratifying.

To date we have advertised five times on our thirteen time contract and we believe The News is largely responsible for the opening of 285 new outlets in New York and surrounding states. In fact responses from our advertising came from dealers and many women sent money orders asking us to sell them Wing-Maid brassiere direct. The inquiries came from far corners of Canada to distant Panama Canal Zone and from East to West coast.

We take this opportunity to recommend The News to the Corset and Brassiere manufacturers who are still doubtful as to its value.

Cordially yours,

EDDY-FORM BRASSIERE CO., INC.
Edward Greenleaf, Pres.

Dealer Influence

hmm . . . dunt esk!

OF COURSE, we won't say The News alone was responsible. The rising vogue for corsets had something to do with it, too . . . But we will say that if you have a product people want, The News can make more people want it—and more dealers want to sell it!

Majority of coverage of the best market in America in this one medium, and a lot of outside influence as well! Investigate!

THE  NEWS, New York's Picture Newspaper

Tribune Tower, Chicago • Kohl Bldg., San Francisco • 25 Park Place, New York



Conoco Introduces Travel Bureau; Starts National Advertising Soon

A travel bureau and "passport" service and a twenty-six-time radio program will augment the 1930 advertising program of the Continental Oil Company, Denver, C. C. Warner, advertising manager, told SALES MANAGEMENT this week. The campaign will also embrace 1,325 newspapers, outdoor advertising in 1,282 cities and towns, nine state farm papers, the *Saturday Evening Post* and thirteen business papers.

Denver, New York and Chicago have been tentatively chosen as locations for the travel bureau offices, which will be manned by travel experts, Mr. Warner said. A special series of advertisements in the *Post* will feature the travel bureau and passport service. The "Conoco Passport" will provide the motorists with maps properly marked to carry them to their destination in the shortest time, or by special routes. It will also provide them with a leather wallet containing the Conoco Passport, which entitles the travelers to assistance and aid from Conoco service men, to the extent of making hotel reservations, handling mail and telegrams and taking care of emergency repairs. The passport will also serve as an identification of the holder and his motor car.

Beginning in April with a two-color double spread, the special campaign in the *Post* will continue with black and white insertions until the early part of the travel season.

The travel bureau and passport service will also be exploited in the twenty-six-time radio program, broadcast through the National Broadcasting Company. The first program was on January 16. The radio programs will also stress the new Conoco Germ-Processed Motor Oil, the introductory campaign for which was outlined in the November 23 issue of SALES MANAGEMENT.

This is the Continental company's first large radio advertising effort and special emphasis is being placed on merchandising the programs by J. E. Moorhead, merchandising manager. All dealers and jobbers and prospective dealers and jobbers have been circularized on the program, envelope stuffers have accompanied all mail, and a special folder urged Continental employees to organize radio parties to hear the first program and report on it.

The Continental company's advertising program will send out 226,625,936 messages this year, it has been estimated by Tracy, Locke & Dawson,

Inc., of Dallas, who handle the Conoco account.

Three hundred cooperative local campaigns are also being planned.

Addressograph Company Promotes H. C. Avery

H. C. Avery has been appointed assistant general sales manager of the Addressograph Company, Chicago—W. A. Wike succeeding him as Chicago branch manager. Mr. Wike, who has been Cleveland sales agent, has also acquired the title of central division manager.

Mr. Avery has been with the company for seventeen years. He is a former senior salesman at Philadelphia.

Detroit Aircraft Plans World Distribution

Detroit Aircraft Corporation has just launched the Detroit Aircraft Export Corporation to extend the sale of its products into South and Central America, China, Japan, Australia, New Zealand and South Africa.

The program is in charge of I. J. Miranda, general manager and vice-president; the other officers being the same as those in the parent company.

United Cigar Tries Out Women "Salesmen"

To attract more women customers, the United Cigar Stores Company has recently started testing the advisability of employing women clerks.

Six units now have women clerks and a check up of patrons entering a store at Forty-second street and Broadway, New York City, revealed that one out of every five women customers walked to the rear of the store to be served by the saleswoman there. The company has found so far that the work is almost too strenuous for the average woman.

United Cigar has also been checking results at an independent Fifth Avenue tobacco shop. The test will receive consideration at a general meeting of company sales officials next week.

Singer May Diversify After Half Century; Tests New Cleaner

The Singer Sewing Machine Company, New York—after sixty-seven years in a one-line business—now has a companion for its well-known sewing machines in the new Singer vacuum cleaner. The new sweeper is of the air-brush type and sells for \$63.90 complete with attachments. Last year it was rumored that the Singer company planned to enter the radio retailing field, but this development has not materialized.

Should the vacuum cleaner prove successful as an addition to the Singer line, it is probable that the company will develop other merchandise to sell through its world-wide system of 10,000 retail stores and 60,000 agents. At present the vacuum cleaner is being shown and demonstrated in a few key cities to determine its possibilities.

General Electric also has a new cleaner of the same type as the present one, only a size larger and slightly more expensive. An advertising campaign on the new product will get under way in March. Women's magazines will be used during the first three months, followed by general newspaper advertising.

Sears, Roebuck Reduces Sales Districts to Four

Reorganization of Sears, Roebuck & Company sales districts was announced by R. E. Wood, president of the company, at the recent annual conference of national and regional executives. Instead of ten sales districts the company will operate only four—Eastern, Central, Western and Southern.

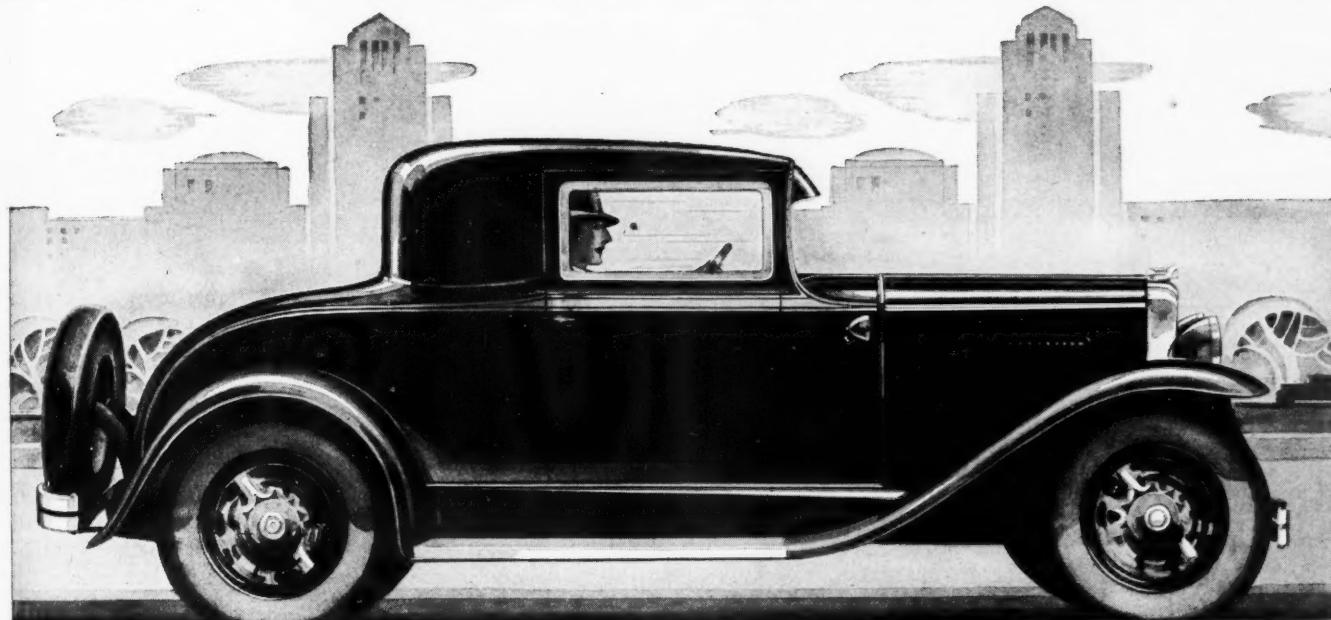
J. M. Barker, formerly manager of the Philadelphia house, has been appointed vice-president, in charge of the Eastern territory, including the Philadelphia and Boston regions; C. A. Woods, formerly manager at Minneapolis, C. B. Roberts, formerly manager at Chicago, and H. M. Kingsley, formerly retail manager in Philadelphia, assistant vice-presidents, in charge, respectively, of the Southern territory, including Atlanta, Memphis and Dallas regions; Central territory—Minneapolis, Chicago and Kansas City; and Western territory—Los Angeles and Seattle regions.

Heads Domestic Commerce

Roe F. Alderson has become acting chief business specialist of the Domestic Commerce Division of the United States Department of Commerce.



Many improved mechanical features make this a finer Pontiac for the business user



NEW SERIES

PONTIAC BIG SIX

Illustrated above: The Coupe, Body by Fisher

Today the famous name Pontiac is borne by a new and finer automobile. It is the New Series Pontiac Big Six.

This newest Pontiac retains all the good qualities which have made preceding Pontiacs so popular for business use. In addition it incorporates important improvements to meet the increasing demands of business.

There is an added smoothness in the 60-horsepower Pontiac engine, which results from the use of improved-type rubber engine mountings—increased safety by improvement of its non-squeak 4-wheel brakes and by the adoption of a new sloping non-glare windshield—more riding comfort through Lovejoy Hydraulic Shock Absorbers of improved design—greater handling ease through a new steering system which acts on roller

bearings—all of which are designed to give the salesman whose business keeps him constantly at the wheel more comfort, safer and more restful transportation.

The new Pontiac is fully as economical to operate as the earlier Pontiacs proved to be in practically every line of business. And the improvements have added to its dependability and longer life.

A finer car, with a famous name—that, in brief, is what you are offered in the New Series Pontiac Big Six. Make it a point to see and drive this Pontiac. Ask the nearest Oakland-Pontiac dealer for a demonstration, or write the Fleet Division at the factory for complete information regarding our attractive Fleet Users Plan.

Oakland Motor Car Company, Pontiac, Michigan

Write for an interesting booklet which illustrates and describes the design of the New Series Pontiac Big Six



PRODUCT OF GENERAL MOTORS

A FAMOUS NAME, A FINER CAR

Simmons Doubles 1930 Advertising; \$3,000,000 Budget

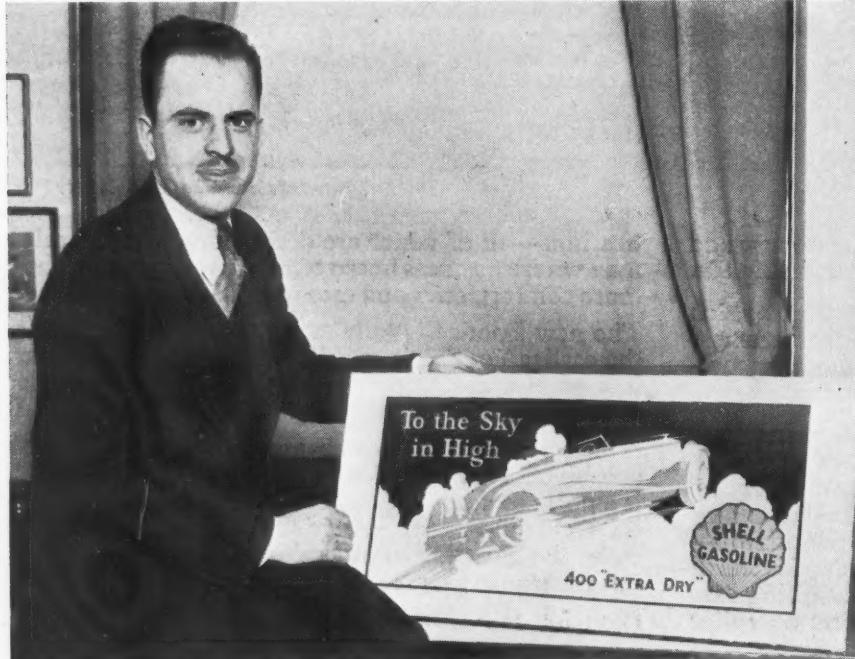
The Simmons Company, New York, manufacturers of sleeping equipment and furniture, will spend approximately \$3,000,000 for advertising in 1930. This figure, double that for 1929 and largest in the company's history, was decided by executives of the company last week.

The Simmons campaign will continue to feature "important messages from important people." A large part of the budget will be expended in promoting the Deepsleep mattress, introduced several months ago. This mattress is made to retail at the advertised price of \$19.95 and to fill a place in the mass market corresponding with the \$39.50 Beautyrest in the higher-priced field. Heretofore the company has had no well-advertised brand in the lower-priced division.

Berkey & Gay furniture shares in the advertising program. The company of this name was acquired by Simmons last September.

General magazines and newspapers will be used—newspapers receiving about 60 per cent of the appropriation. Color space is being taken in twenty-six magazines.

As the first step in an aviation expansion program, to cover twenty-eight states, the Shell Petroleum Corporation has appointed Lieut. James H. Doolittle, star Army ace, to direct its aviation activities.



The slogan "To the Sky in High," with a design in which speed predominates, won the grand prize of the Shell poster contest recently conducted by the Outdoor Advertising Agency of America, Inc., for R. I. Morehouse, Chicago.

Seattle Copy to Admit Some Shortcomings

"I don't believe Seattle is the greatest city in the world. I have some doubt as to whether it ever will be. Seattle is a fine city, too fine to mar by exaggerations, and we can 'sell it' on its merits."

On this theme—unique in its modesty among claims of the larger cities, which was enunciated recently by Wylie P. Hemphill, new president of the Seattle Chamber of Commerce—Seattle plans to launch soon an extensive nation-wide advertising program.

Canada Dry Extends Magazine Program

With its distribution now considered national, Canada Dry Ginger Ale, Inc., will advertise in twelve magazines, using full pages and spreads, according to F. E. Carson, advertising manager. Only one magazine was used last year. A slight increase in newspaper advertising is also expected. Four million lines in over 500 newspapers are already scheduled for the first nine months of 1930, in contrast to 5,000,000 lines for the entire year of 1929. The company now has 80 per cent distribution through the larger retail outlets.

New Dealer Group to Sell Fordsons; Production Up

Plans for a new distributor and dealer organization to handle Fordson tractors, involving the appointment of several thousand new dealers, are now being put into effect by the Ford Motor Company.

Although continuing to service the Fordsons, the present Ford car dealer organization will concentrate on the sale of automobiles.

Seventeen distributors, recently appointed throughout the country, are now engaged in selecting dealers in their territories. About thirteen more distributors will be added within the year. Some of the dealers will be former Fordson mechanics; many will be established farm machinery stores. Production of the new Fordson line has been concentrated at Cork, Ireland—the Dearborn plant now being devoted entirely to the Model A car. The prices of the tractors are about \$200 more than former models and will f. o. b. railroad seaboard at New York or Baltimore.

With the introduction of the Model A Ford car production of the tractors was discontinued in this country, and no attempt by the Ford interests to resume manufacture here has been made up to this time. Production of the Fordson is expected to be increased to 7,000 monthly by the end of this year. The consistent demand for the Ford cars, the production of which is expected to exceed 2,000,000 again this year, is expected by the Ford organization to compensate the car dealers for the loss of the tractor line.

Cities Service Will Increase Advertising 22 Per Cent

Cities Service Company will spend \$2,000,000 for advertising during 1930, an increase of 22 per cent over last year's appropriation, Frank Leroy Blanchard, director of advertising of the Henry L. Doherty Company, New York City, told SALES MANAGEMENT. Broadcast advertising shares well in the increase, with 20 per cent or \$400,000 for this purpose. In newspapers \$700,000 will be spent, \$300,000 of which will be used to advertise oils. Other budgets include magazines, \$300,000; outdoor, \$200,000; direct mail, \$300,000, and miscellaneous, \$100,000.

Magazine and newspaper schedules have not as yet been completely determined.

Account Changes

NEW JERSEY CENTRAL RAILROAD to The Lay Company, Inc., New York City.

GENERAL SEAFOODS CORPORATION, Gloucester, Massachusetts, to Young & Rubicam, Inc., New York City.

ONONDAGA POTTERY COMPANY, Syracuse, china, to Z. L. Potter Company, Inc., there.

WRIGHT CAKE COMPANY, Brooklyn, bakers of fine cakes, to Ewing, Jones & Higgins, Inc., New York City.

SALT CITY BOTTLING COMPANY, Syracuse, Cremo ginger ale, to G. F. Barthe & Company, Inc., there.

PAPEC MACHINE COMPANY, Shortsville, New York, Papec ensilage cutters, feed grinders and hay choppers, to Burton Bigelow, Inc., Buffalo, effective March 1. National and sectional farm papers, trade papers and direct mail.

M. A. GRAFT COMPANY, Chicago, Graft suspenders and Challenge cleanable collars, to Brinckerhoff, Inc., there. Display space in newspapers.

DANVILLE STRUCTURAL STEEL COMPANY, Inc., New York City, Omega steel fence posts, to Hommann, Tarcher & Sheldon, Inc., of that city.

HOROLECTRICAL CORPORATION, New York City, Horolelectric time switches, to Robinson, Lightfoot & Company, Inc., there.

PILOT RADIO & TUBE COMPANY, Brooklyn, radio kits, sets, tubes, etc., to the Peck Advertising Agency, New York City.

NORTHEASTERN RETAIL LUMBER ASSOCIATION, Rochester, New York; NEW ENGLAND ROAD MACHINERY COMPANY, Boston; BRIGGS-MARONEY COMPANY, Everett, Massachusetts, paints and varnishes; and BUERKEL & COMPANY, INC., Boston, plumbing and heating engineers and contractors, to Nelson, Duncan & Harlow, of Boston. Newspapers for the first account; trade journals and direct mail for the second; radio, newspapers and direct mail for the third; and newspapers, trade journals and direct mail for the fourth.

BROWNING-DRAKE CORPORATION, Waltham, Massachusetts, radio apparatus, to the Lyon Advertising Agency, Inc., New York City.

THE BOATMEN'S NATIONAL BANK, St. Louis, and BOATMEN'S NATIONAL COMPANY, investment division of the bank, to Beecher-Cale-Maxwell, Inc., St. Louis.

PRO-PHY-LAC-TIC BRUSH COMPANY, Florence, Massachusetts, to Lambert & Feasley, Inc., New York City. Effective May 1.

THE CLEAN HOME PRODUCTS CORPORATION, Chicago, Apex Moth Cakes and Apex Moth Crystals, to Lord & Thomas and Logan, there.

WEBSTER AND ATLAS NATIONAL BANK, Boston, to Albert Frank & Company, of that city.



MR. HARVEY C. KENDALL

ANNOUNCING

**The Appointment of Mr. Harvey C. Kendall
as Business Manager of THE ROTARIAN,
effective 1 January, 1930.**

During the past year Mr. Kendall has been in charge of the division of administration matters and service to Rotary Clubs in the Secretariat. Previously to joining the headquarters staff he had many years' experience in the publishing, advertising and printing business.

THE ROTARIAN

Official Publication of Rotary International

Chicago Evening Post Building
CHICAGO

Eastern Representative
WELLS W. CONSTANTINE
7 West 16th Street
New York, N.Y.

Western Representative
NELSON & ROGERS
Underwood Building
San Francisco, Cal.

Standard of New York Introduces F. O. B. Gasoline Prices

A new system of gasoline prices, figured to one-tenth of a cent, and based on cost, freight rates and handling charges, according to locality, was introduced by the Standard Oil Company of New York, this week, for New York State and New England. The prices, in other words, are f. o. b. tidewater at New York Harbor, Providence, Boston and Portland, Maine. The rate at New York City, plus tax, for example, is now 17.3 cents a gallon; Boston, 17.5 cents. It is correspondingly higher in inland and more remote sections, ranging up to 23.6 cents in inland Maine.

"For years gasoline prices in many sections of the country have been chaotic," the oil company stated in its announcement. "Local competitive conditions have caused prices to vary in different neighborhoods. At times comparatively wide variations have existed between nearby communities, causing the public to be confused and the dealer dissatisfied."

Under the new plan the base price will be determined by the prevailing market price for bulk deliveries at seaboard prices and to this will be added actual freight to each individual community, plus a fixed charge for handling and profit.

Hart Burner Expands in Mail Campaign

A "Prospect-a-Day" direct mail campaign, composed of three pieces in six colors, will be the peg on which the Hart Oil Burner Corporation, Peoria, will hang its intensified sales program for 1930, D. S. Farley, advertising and sales promotion manager, told SALES MANAGEMENT this week. The campaign, the entire expense of which the company will bear, will be mailed from the factory, from lists supplied by dealers and retail salesmen. This effort will be augmented by business paper and local newspaper campaigns.

The Hart company, formerly the Preferred Oil Burners, Inc., moved from thirteenth to eleventh place in 1929 in the oil burner field.

Issues Houseware Section

A special section devoted to homeware made its appearance as part of *The Retail Ledger* Philadelphia in its second January issue. This section covered subjects of interest to buyers of furniture, floor coverings, electrical equipment, radio, silverware, etc.

Beauties of Britain to Be Sold Here

Through a newly established Travel Association, Great Britain will make its bid for a larger share in the American tourist's dollar, with an extensive advertising campaign, which will include motion pictures of Great Britain's beauty and historic spots, publicity and periodical advertising. Plans are being laid by the association for a New York office.

In the meantime, an improvement campaign will go on in England, to make it a more comfortable and economical place for tourists.

The campaign is financed directly by the Government and will be handled by the Travel Association, through its Overseas Trade Department.

Stutz and Peerless May Consolidate; More Promotion

Negotiations are expected to be completed soon for a merger of the Stutz Motor Car Company, Indianapolis, which recently was put into temporary bankruptcy, with Peerless Motor Car Company, Cleveland, SALES MANAGEMENT learned from automotive financial sources this week. No definite announcement has yet been made by executives of either company.

Plans for refinancing on an extensive scale are practically completed and the Stutz company will resume operations soon.

While some reorganization in its affairs is expected, the present executives, headed by Col. E. S. Gorrell, president, who assumed office last February, will probably be retained. A new advertising program for Stutz is expected soon.

Merger of the Peerless and Stutz companies has been proceeding slowly for several months.

The new alignment is part of a general expansion program by the Peerless company, which will probably involve the manufacture and marketing of radio sets, as announced by J. E. Bohannan, president of the company, a few weeks ago.

Hugh T. Porter has been made assistant general sales manager in charge of the new V-16 division of the Cadillac Motor Car Company, Detroit. For several years he has been with I. M. Uppercu, Cadillac distributor in New York.

Butler Brothers Start Department Chain; Expansion South

Butler Brothers, Chicago, largest wholesale house in the variety store field, which recently established its own retail chain, plans soon to launch a chain of department stores which will carry ready-to-wear lines.

The decision followed the addition of L. C. Burr & Company, Chicago—the Burr stores selling men's, women's and children's ready-to-wear apparel, shoes, dry goods, notions and general department store merchandise. They are named after L. C. Burr, now vice-president of Butler Brothers, in charge of dry goods merchandising.

The first stores will be opened at Hope, Arkansas, and Breckenridge, Texas, in the next few weeks and others will be added, chiefly in the Southwest, during 1930.

After an experience of fifty-six years as wholesalers serving retail stores in the variety field, Butler Brothers last year acquired Scott Stores with the intention of extending this chain into localities where they were not already serving independent stores.

Schulte-United Chain Doubled Last Year

An increase from fifty-six to 111 in number of units in 1929 over the previous year has been reported by the Schulte-United Five-Cent to \$1.00 Stores, Inc. The chain last year achieved a position among the first ten in the junior department store group, with gross sales of \$19,954,101.

Sales for December totaled \$3,911,050, compared with \$1,500,483 for December, 1928, the company's first full month of operation. In monthly sales for last month the company ranked seventh among the junior department store chains.

Building Investment Expands

Building Investment has assumed national circulation, having been merged with *Architectural and Building Economics*, it has been announced by the Realty Periodical Corporation, New York publishers. With the merger, M. C. Robbins, publisher of the latter journal, becomes a director of the Realty Periodical Corporation and John W. Adams becomes business manager of the merged publication. Raymond Bill is editor and L. C. Stone is managing editor.

Sleeper Joins Brokerage

Gordon C. Sleeper, formerly vice-president of the Temple Corporation, radio manufacturers, Chicago, has become associated with Bauer, Pogue, Pond & Vivian, members of the New York Stock Exchange.

Gossip

COL. E. J. W. PROFFITT has resigned as president of The Investing Corporation of New York to become vice-president of Dorrane, Sullivan & Company, Inc., advertising agency there. . . . ALBERT E. BURNETT, until recently advertising and sales promotion manager of the by-product industries of Armour & Company, has been appointed sales and service account executive of Buckley, Dement & Company, Chicago direct mail house. . . . JOHN URBAN RILEY has joined Nelson, Duncan & Harlow, Boston advertising agency. He has been vice-president of the O'Malley Advertising & Selling Company, Inc., there. . . . FRANK A. COX, for sixteen years, advertising manager of the M. J. Whittall Associates, Worcester, rug and carpet manufacturers, has been made assistant to the president. . . . ROBERT R. SMITH, formerly with the Vick Chemical Company, Greensboro, North Carolina, has succeeded PHILIP CHARY, who has been transferred to the metropolitan sales staff, as customers' service manager of the Topics Publishing Company, Inc., New York. . . . HAROLD L. EVES, who has had charge of the business relations division of the Outdoor Advertising Association of America, Inc., Chicago, has been appointed editor of the association publications, *The Poster* and the *Outdoor Advertising Association News*. . . . THOMAS A. TREDWELL, for the past four years with the sales force of the F. W. Dodge Corporation, and at one time with the Jewel Tea Company, has been made sales manager of the magazine division of the corporation. . . . DANIEL ROCHFORD is now publicity and advertising director for Pan-American Airways. He was aviation editor of the Boston *Evening Transcript*. . . . N. E. HELLAND has succeeded R. E. MORGAN, retired, as national advertising manager of the Seattle *Times*. Mr. Helland had been credit and office manager. . . . N. H. SMALL was named advertising manager of the Berger Manufacturing Company, Canton, Ohio, manufacturers of the Berloy and Van Dorn lines of steel office equipment. . . . L. E. MOFFATT, previously managing editor, is now editor of *Electrical Merchandising*, a McGraw-Hill publication. . . . NICHOLAS SAMSTAG, formerly copy chief and art director with Michaels & Heath, Inc., has joined the copy and sales promotion department of the Commanday-Roth Company, Inc., New York City. . . . E. L. PURCELL, for more than four years local representative of the Criterion Advertising Company, New York, has resigned to take charge of the outdoor advertising department of the Procter & Collier Company, Cincinnati. . . . VERNON R. CHURCHILL has been made manager of the Chicago office of the J. Walter Thompson Company. For the past eighteen years Mr. Churchill has been co-manager of the San Francisco office with J. MARK HALE, who has been with the company for fourteen years, and is now sole manager of that office. . . . JAMES IGSTADTER has been appointed assistant manager of the San Francisco division of the Zellerbach Paper Company, continuing also as director of sales. . . . G. C. ADAMS, formerly with the L. P. Hollander Store, Boston, has joined Albert Frank & Company.

93 AUTOS to each 100 FAMILIES

Syracuse leads over Buffalo, St. Louis, Boston, Philadelphia, Chicago, Pittsburgh, and New York.

IN SYRACUSE the automobile population runs high and indicates a prosperous city with ample means for the purchase of necessities and luxuries of life. Automobile ownership is often referred to as a measure of the standard of living in a community.

The Post-Standard reaches 60,000 families in Syracuse and vicinity

Additional data on the Syracuse market and its possibilities will be mailed to any executive interested.



THE POST-STANDARD

Syracuse, N. Y.

PAUL BLOCK, Inc.
Representatives

New York
Detroit
Chicago

Philadelphia
Boston
San Francisco

SUNDAY 69,879 NET PAID

Central New York's Oldest Newspaper

MARKET ANALYSIS

By PERCIVAL WHITE

52 charts, diagrams, sample letters and questionnaires are given to show how market research work has been done by others, and to give the reader a plan of campaign for a survey of his own. This book will be particularly valuable to any sales executive who feels that his sales volume has not reached full potentialities; it shows how and where to get the needed facts, how to analyze them, how to use them profitably. 340 pages.

Price, postpaid, \$4.00

Remittance should accompany order

SALES MANAGEMENT
Book Service

420 LEXINGTON AVENUE

NEW YORK CITY

FEB

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Editorials

PROPOSED FOOD CENSORSHIP: Suspension of judgment is advisable on the American Medical Association's plan for a tribunal to pass upon food products and the statements made on their behalf. The implication of a new censorship will not be popular. Furthermore, while much that the A. M. A. has done in sifting the bad from the good in pharmaceutical proprieties has been commendable, acceptance of its findings in this field is by no means universal. Its competence to pronounce judgment in the broader field of dietary articles will not be taken for granted. . . . Not that we have any impulse to throw cold water on the project. Ever since processed foods began to flood the markets there has been need of standards wherewith to assess the validity of virtues ascribed to them. The public has no doubt been bewildered by clamor of conflicting testimony, especially since vitamins and mineral salts became the text of much copy writing, more distinguished for readiness in the use of learned phrases than for evidence of scientific learning. It needed no hint from the Food and Drug administration in Washington to admonish food manufacturers that health-giving and disease-curing claims were being overdone in labels and advertising. . . . It does not follow, however, that the intervention of the A. M. A. is called for. If it attempts to deal with food fads and fancies in a narrow, arbitrary spirit no public interest will be served and confusion will be only worse confounded. If on the other hand it brings to its self-imposed task a rational desire to discourage obvious fraud and misrepresentation the food industry as well as the public will have reason to welcome its new activities.

LIVING BY PROFITS ALONE: An industrial engineer, the title now commonly given to the former so-called efficiency experts, has been expatiating with fervor on the folly of doing any but profitable business. He has no faith in Mr. and Mrs. Jack Spratt combinations that with divided appetites for fat and lean lick the platter clean. He is all for an exclusive diet on the lean—good profits all the time. Like others of his ilk, he revels in such illustrations as that of the wholesaler who cut off more than half of his customers because their small orders did not pay and increased his net profit by a large sum though at the same time his sales volume shrank substantially. He likes also to tell of a house with a large number of salesmen of whom only a small percentage made money for their employer, the others eating up hundreds of thousands of dollars in salaries and expenses.

(Illustrations of this kind can be multiplied *ad infinitum* especially when no names are given) . . . There is undoubtedly need of careful scrutiny in all business enterprises if unnecessary wastes are to be avoided; that is one of the cardinal virtues of good management. It is a fact also that profligacy is the hand maiden of most insensate scrambles to increase volume. But there is just as much need of careful study to make sure that pruning aimed at deadwood does not also destroy sproutings which give promise of fruitful growth. This is true of customers as well as of salesmen. Measured inflexibly by the yardstick of present profits, many of them would be swept away as worthless with immediate advantage to the sum of net earnings. It does not follow, however, that in the long run this sort of efficiency in management would pay.

ADVERTISING THE NATIONS: The merchandising of national attractions is engaging the attention of important business men and government representatives in increasing degree. A short time ago we heard of elaborate advertising plans adopted by foreign steamship lines. French business men have been discussing means to check the diversion of the tourist stream to Germany. Now comes word of a great publicity campaign by the Travel Association of Great Britain and Ireland. . . . Most of this effort is designed to influence Americans. They scatter money wherever they go. Last year their spending abroad was not less than three-quarters of a billion dollars, a sum large enough to affect foreign exchanges materially. This was notably true in France whose large takings of gold in the last six or eight months were rendered possible largely by her receipts from visitors (mostly from this country) that more than made good her heavy balance of merchandise imports. England's need of help from visitors' sources is more urgent, a fact which explains the far-reaching efforts just launched to spread the slogan "Visit Britain." . . . America, fortunately, can get along pretty well without contributions of this kind, which in 1928 amounted to no more than \$168,000,000, less than a fourth of the sum our people spent abroad. But it is not our habit to miss good opportunities. The world grows more and more travel-minded with the development of transportation facilities, the spread of international commerce, and the diffusion of the spirit of good will. It would pay in dollars as well as in better understanding to give world-wide currency to the phrase "Visit the United States."

Right at your own desk...

**That's the place to start
cutting your printing costs**

This Chart makes it easy!

A VARIATION of only a fraction of an inch in size can often make a mailing piece considerably more expensive.

Your printer can't help this. It's simply that non-standard sizes automatically require a lot of extra operations. The job becomes a "special" . . . entailing special estimates . . . the manufacture of special sized paper sheets . . . special envelopes . . . then special press-setting and handling all through the printer's plant.

All that is necessary overhead . . . and, as such, it

goes on your bill. But it really began right at your own desk. And that's where it can best be stopped.

How? By sticking to mailing piece sizes that are standard. There are more than enough for all your needs.

This new Warren Chart gives them to you in a convenient, usable form. It's only 11" x 17", but it carries actual-size diagrams of wide variety of shapes and sizes. All of them cut economically from standard paper sheets . . . and fit Warren's Standard Booklet Envelopes.

Your printer can get these sheets and envelopes at the paper merchant's. He has no costly extra overhead. He can devote his whole time and ability to creating the fine typographical effects that will make your mailing piece really distinctive.

Your printer probably has some of these charts on hand. Ask him for one. Keep it right under the glass on your desk . . . for ready reference. You'll find it saves lots of trouble—and some real money. If he cannot supply you, just write us.



S. D. WARREN COMPANY, 89 Broad Street, Boston, Massachusetts

**OMAHA, a city of
51,814 families—
thoroughly covered
(with 52,619 daily
and 48,830 Sunday
paid circulation) by**

THE OMAHA WORLD-HERALD

Nebraska's HOME Newspaper

December Total Paid Average
128,436 daily 124,423 Sunday

O'MARA & ORMSBEE

National Representatives

NEW YORK CHICAGO SAN FRANCISCO
LOS ANGELES DETROIT



Increase Your Salary Through MEN

The compensation of every executive necessarily depends upon the results he produces, and these results in turn are produced by other men. In the last analysis, every one of your problems is a man problem which will be solved when you get the right man in the job.

If you are going to increase your sales force, or if some of your men are not now making good, why not find out what we can do to help you? Fletcher's is NOT an employment agency. It is a unique service for employers. The charge is extremely moderate for the results produced. The service is national.

If you want a better job, send today for our 90-page booklet "To Him That Hath". It is a sound investment.

WILLIAM L. FLETCHER, INC.
Personnel Managers and Counselors
8 Newbury Street, Suite 979
BOSTON, MASSACHUSETTS

The Peanut Business that Grew to Million-Dollar Size

(Continued from page 212)

hundred calls every day in order to make his sales on a five-cent item profitable.

We do not allow our distributors to carry other lines, for with the sixty calls necessary each day we think he should be too busy.

Tom Huston's second idea for promoting sales has been embodied in a merchandising unit. It is an airtight jar, designed for the dealer's counter, which keeps the peanuts fresh and crisp, but, more important still, gives a high visibility of the product. Packages of the peanuts, with attractive red labels, are placed in the container by the distributor on each trip and the old ones are removed.

The counter display, which also acts as a salesman, is so constructed that it must be kept well to the fore of the counter, because of a flange on the front of the jar. This flange is also used to hold a card, which is changed each week by the distributor. Thus we kill two birds with one stone: bring our product to high visibility and have a new point-of-sale message each week.

Distributors are warned to clean the jars out carefully on each trip to the store.

Unit Loaned to Dealer

This display unit is consigned to the dealer, who signs a receipt with the understanding that the jar is our property. The display unit is small, only nine inches in diameter, and dealers are glad to have such an attractive addition to their counter.

Since there is virtually no selling effort, because of the counter display, and only a very small investment, we can sell many classes of stores. Of course, the majority of our dealers are drug store proprietors, but we also sell grocery stores, meat markets, delicatessens, pool rooms, dance halls and newsstands. In New Orleans we have a Chinese laundry selling Tom's peanuts, and in Beaumont, Texas, one of our dealers is a beauty parlor.

Distributors, of course, are their own salesmen. But they can't sell everybody. To assist them in this job, we ask them to fill in a "No Sale" slip and send it on to us. Then our letter service begins to function.

A personal letter, signed by Mr. Huston, goes to every dealer for whom we get a "No Sales" slip. The letter

has an informal style which very often paves the way for a successful visit on the distributor's next trip. A copy of this letter is sent to the distributor, who is asked to make a return call in a few days.

Each new dealer gets a "thank you" letter as a part of our letter service, which aids in gaining good will for us and for the distributor also.

How to Find the Best Method for Paying Salesmen

(Continued from page 210)
tion in part of the field force they usually request its extension).

Salary, Traveling Expense and Bonus on Low Selling Expense Plan

The salesman is paid a bonus of one-half the savings in traveling expense below an allowed maximum, in this case taken as 2 per cent of net sales.

The advantages of the salary, traveling expense and bonus on low selling expense plan are:

Same as salary and traveling expense plan.

These advantages are offset by one major advantage:

The salesman is, to all intents and purposes, paid an incentive to keep his travel low (as distinct from his expenses). To many salesmen the saving of \$5 on a \$10 trip will appear more important than the desirability of making a sale. Any internal sales control worthy of the name should be able to check and regulate salesmen's expenses without resorting to a stultifying device of this nature.

A Correction

An item on the appointments of John M. Howard and Henry T. De Hart as assistant sales manager and advertising and sales promotion manager, respectively, of the General Motors Truck Company, in the January 11 issue of SALES MANAGEMENT, mentioned that the headquarters of the company were in Chicago. This should have read Pontiac, Michigan.

Heads Corona Advertising

The advertising department and the sales promotion division of L. C. Smith & Corona Typewriters, Inc., New York, have been consolidated under the direction of Gordon Laurence.

New Packages Relate Six Items in Drug Line

(Continued from page 202)

with the dealer, 200 salesmen for Stanco Distributors, Inc., who sell the Daggett and Ramsdell line, are offering a special deal that gives the dealer an extra 12½ per cent profit. These Daggett and Ramsdell products are sold as a line. The salesman makes a direct bid to have them displayed in the dealer's store along with the higher-quality cosmetics. To emphasize the excellence of the new containers and the beauty of the line, each salesman shows the products from a specially designed case, where they are displayed against a background of cornelian silk.

To secure new users other than those that the advertising would attract, a sampling package has been made up in the form of a "debutante kit," containing four related products and selling for fifty cents. This is being offered only through consumer publications.

V. Chapin Daggett, founder of the business and its active president until April, 1929, when Stanco Distributors, Inc., bought it, started with Mr. Ramsdell to market a cold cream that would not turn rancid from their drug store opposite the Waldorf in New York. In those days cold creams were made by druggists for sale only in their own stores. None were advertised until Daggett and Ramsdell started advertising theirs in New York City.

Cosmetics were frowned upon by the general public and used only by theatrical people at that time. Distribution was hard to get. Eventually this firm, selling a branded cold cream, got distribution in one New York department store and in another in Philadelphia.

Wider distribution was eventually secured and when the volume was large enough Mr. Daggett sold his share in their retail drug store to Mr. Ramsdell and erected a plant to engage in the manufacture of creams and other preparations.

Chicago American Opens Retail Copy Institute

The Chicago Retail Advertising Institute, organized last week under the auspices of the *Chicago American*, issued its first weekly bulletin January 23. Bulletins will contain Chicago advertising news and tips on the type of copy to be used.

The first bulletin announced Mrs. Christine Frederick as a speaker.

TO Sales and Advertising Executives who want accurate, down-to-the-minute information about

Daily Newspapers

General Magazines

Foreign Language and

Religious Publications

Farm Papers

Business Papers

Radio Broadcast

Advertising Rates

we recommend that you send for details of a plan which places this Service at your disposal for 30 days without obligation on your part.

STANDARD RATE & DATA SERVICE

The National Authority

536 LAKE SHORE DRIVE

CHICAGO

IN NEXT WEEK'S ISSUE

The old is made new again

FROM time immemorial designers have used the arrow to command attention. Yet, it has been used so frequently that in late years it has lost a little of its effectiveness.

But notice in our insert in next week's issue of this magazine how the old standby becomes the most modern tool in effective advertising. The result is a most forceful display for the manufacturers of CN disinfectant.

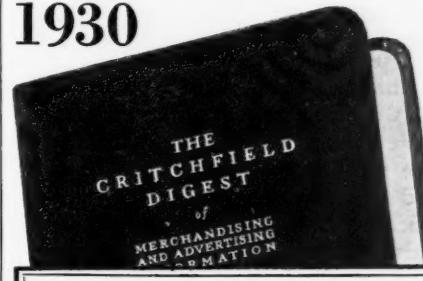
Our representative may be able to give a fresh view-point to your problem also. At least he has the experience of helping hundreds of the most representative concerns in the country.

THE UNITED STATES PRINTING
AND LITHOGRAPH CO.

Cincinnati Baltimore Brooklyn

Service offices in 16 cities

The Critchfield Digest for 1930



NOW ready! This is good news to the hundreds of executives who use this popular little work to answer the many questions on practical merchandising and advertising details that come up daily in business.

Everyday Facts on Markets and Media

Things you want to know at a glance; for example—ask the population, the car and tractor registration, retail and chain stores, banks, industries in any town in the U. S. and Canada having daily newspapers—then quickly find the answer in The Digest.

Data on newspapers, airports and radio stations in U. S. and Canada. Indexed for easy reference; accurate, correct to January, 1930. Send \$2 or order on approval.

CRITCHFIELD & COMPANY

Chicago New York Philadelphia
Minneapolis Los Angeles Portland
Seattle

New Sales Services Banks Are Offering Marketing Executives

(Continued from page 198)

about business conditions in a nearby city. That city is growing rapidly and the manufacturer was convinced that his sales there should be increasing, yet they were decidedly on the decrease. We got in touch with our executives there, they had friends who knew the clothing business and clothiers, and presently the manufacturer had a new dealer there. That was only a short time ago, yet the manufacturer already has notified us that this new dealer is leading all others in percentage of sales per capita.

"A packing company had a wood-working mill and a large tract of timber land in the South and wished to dispose of it. We were able to find a buyer in a short time and to bring about a transaction involving over a million dollars.

"A chain-store operator was considering opening stores in several cities of the state. We not only furnished valuable statistics concerning the cities, but also were helpful in securing suitable locations and in selecting the personnel of each local store.

Aiding Competitors

"A local concern was in the market for about \$500,000 worth of machinery and it so happened that some of the principal manufacturers of such machinery were large depositors of ours. Knowing of our service, each came to us and asked our cooperation. We arranged for each to have a fair and equal hearing before the proper officials of the company and all were satisfied with what we had done for them, although only one got the business.

"We cannot sell for a client, but we can pave the way and make it possible for him to do the selling under the most favorable circumstances."

An executive of another banking group operating along the same lines furnished other examples of how the plan is helpful to marketing executives in solving their sales problems. This executive, by the way, while a vice-president of the bank, does not claim to be a banker at all. His training has been in manufacturing and selling and it is for this very reason that he holds his present position as a liaison officer whose principal duty is to help clients solve their sales problems.

"We help our clients in many

ways," he said. "If it is a matter of introducing a new product, we are prepared to pass on the merits of the product, then to put the manufacturer in touch with the best prospects, under the most favorable conditions.

"We introduce him to the purchasing agent or to the proper executive. We do not urge the prospect to buy—that's up to the salesman—but we do get him started right and we do go so far as to say that this vendor has shown the proper spirit by 'staking out a claim' here. This has more influence than many seem to think. Local business men are interested in helping the city grow and prosper and they are more favorably disposed toward the outsider who wants to do business here if he will leave some of his profits where he makes them.

Advising Manufacturer

"One manufacturer, producing a high-grade auto accessory, came to us for help in introducing it to the automobile manufacturers. We examined the product, concluded it was suitable for rather expensive cars, and advised the manufacturer to approach only one or two automobile companies at first. We also explained that such a product should be popularized with the public, hence he should advertise it. We introduced him to executives of two companies, both adopted the device, and he is doing well. It is likely that the acceptance won for his device on these two expensive cars will enable him to line up some of the manufacturers of medium and low price cars.

"A company which produces conveying machinery went through a reorganization and shortly afterward an official of the new company came to us with the complaint that he could not get a hearing from a certain large prospect. We looked into the matter, found that the prospect had received unsatisfactory service from the old company, told him of the changes which had been made, introduced the new sales executive, and he now has that account.

"In another case, a difference arose between an automobile manufacturer and a manufacturer supplying certain alloy metals. Economy of operations seemed to dictate that the alloy manufacturer should proceed along certain lines, and by doing so he had reduced

costs materially, but the purchaser complained that the product did not meet his specifications. Ordinarily there would have been no argument; the motor car manufacturer would have declined to buy anything more of that source. But in this case we were brought in and, after considering both sides of the question, we arranged a meeting of the metallurgists and engineers of both companies, they surveyed the facts, and the manufacturer agreed to alter his production methods.

Those engaged in group banking have taken the lead in such promotional work as this and they are in the best position to carry it out effectively, as member banks of such a group usually dot an entire state and thus broaden the scope of the parent bank in the big city, where such activity usually centers, although the facilities of the entire group are available to any depositor of any member bank. It is the usual policy of such groups to have the staffs and directorates of local units undisturbed, although they sometimes arrange to add some of their own men to the directorates for the sake of benefiting from an exchange of ideas, and it is also the usual policy to expect something more of directors than a mere appearance on "gold-piece day." As a result, the group includes hundreds of the most influential men and these men are scattered throughout the state, where they are prepared to serve any client of any member bank to the best possible advantage.

Naturally, one must be a depositor to be entitled to such service. No specific amount is required, however, and a company is not asked to deposit a certain percentage of all its funds. What the bankers ask is that one place the funds where they will do the most good.

That the plan is meeting with considerable favor is indicated by the statement of one such group that it numbers among its depositors no less than sixty of the hundred largest corporations in America.

Liberty Mutual Plans Larger Campaign

Full-page space in newspapers in New York, Chicago, Philadelphia and Buffalo will be taken by the Liberty Mutual Insurance Company, Boston, in a campaign to start in a few days. It will emphasize the advantages and economies their policyholders receive by buying automobile insurance direct. Boston newspapers will receive special copy. The campaign will be larger by several thousand dollars than last year.

The Trading Area Riddle—How One Publisher Answers It

(Continued from page 204)

remote from sources of supply a less responsive market. The cities which present in greatest degree the facilities for home town buying are not only principal trading centers but also the market of first importance for all merchandise."

"In drafting area boundary lines we are guided by consumer buying habit—and consumer buying habit pays no attention whatever to either state or boundary lines. The consumer goes where transportation facilities will most conveniently convey him to a source of supply for that which his standard of living and resources prompt him to buy."

"It is for this reason that systems of sales accounting, quota building or territory allotment based upon county figures *not adjusted to actual areas of trade* are unequivocally wrong and must before many years become obsolete. Despite the present availability of certain statistical information in county figures only, the normal flow of business must eventually govern calculations as to sales possibilities and actual performance."

Philosophy of Basis

In brief, the philosophy behind the International Magazine Company's basis for delineating trading areas is as follows: (Quoted verbatim from "The Trading Area System of Sales Control.")

(1) "Sales energy operates at lowest cost where sales possibilities are greatest."

(2) "Sales possibilities are most intensively developed where people are concentrated into communities."

(3) "Sales possibilities can best be measured by—

"(a) *The Facility to Purchase*, i. e., proximity to retail outlets and frequency of contact.

"(b) *Environment*, i. e., conditions determining standards of living which promote the desire to possess and the impulse to buy.

"(c) *Ability to buy*."

(4) "Community life fosters in greatest degree all of those three elements that make for the most responsive market."

(5) "Selling costs can be reduced by cultivation of major possibilities to their limit, in an orderly plan of selective marketing, before extending operations to new and more remote markets."

(6) "Therefore, if we can find where—in greatest proportion—the facilities for convenient purchase exist; and where the environment represents conditions favoring the impulse to buy; and where an adequate buying power exists, we have found where to concentrate our greatest selling effort at least relative selling cost."

So much for the ideas upon which

the areas in question have been worked out. Going on now to the actual method of development of the trading area system we find that these areas have been determined from a study of the following nineteen factors: Population, number of families, literacy, number of dwellings, transportation facilities, total number of warehouses, total number of wholesalers, total number of retailers, volume of bank deposits, number of banks, number of personal income tax returns (1926), location of area, topography, climate, natural resources and soil conditions, agriculture, manufacturing, mining and professional, trade and public service employment.

Example of Method

Grand Rapids, Michigan, is given as an example of the method used in determining the average area outline. The area map, originally printed in colors, shows, among other details, the trading center, population of centers and sub-centers (in thousands), urban cities, railroads, interurban electric lines, bus lines, main auto roads, other good roads, airports and operated airways, county boundary lines and name and the outline of the area. Since we are unable to reprint the map in color, we show a cut of the centers and sub-centers of the Grand Rapids area, as given in the map of the state of Michigan on a later page of the study.

The transportation map helps in conjunction with the nineteen above-mentioned factors to determine in what area each city and town belongs, as shown herewith:

ALLEGAN COUNTY

(40 per cent Grand Rapids—60 per cent Kalamazoo.)

These percentages are partly based upon proximity to Kalamazoo of two urban points—Allegan and Otsego—and the transportation facilities to which buying habit naturally responds.

Adjacent to the northern portion of Allegan the largest city is Holland, of Ottawa County, which naturally pulls that part of Allegan into the Grand Rapids area.

BARRY COUNTY

IONIA COUNTY

KENT COUNTY

MONTGOMERY COUNTY

MUSKEGON COUNTY

(100 per cent Grand Rapids Area.)

The urban cities in these counties, Hastings, Ionia, Belding, Greenville and Big Rapids, tie these entire counties into the Grand Rapids area through their own importance and their natural link by rail and auto road to Grand Rapids.

Neither Lansing, Saginaw nor Cadillac

5 KEY Markets In Texas

Dallas San Antonio
Fort Worth Houston
Beaumont

A Department of Commerce survey of Beaumont Trade Territory conclusively proves it to be the Fifth Market in Texas and the Third Market for Louisiana.

No campaign will be complete without the

BEAUMONT ENTERPRISE AND THE BEAUMONT JOURNAL

Home delivered throughout Southeast Texas and Southwest Louisiana

"Ask BECKWITH, He Knows"

SAM I BETTER?

 He is better served than ever before. He bought the STANDARD ADVERTISING REGISTER—"The Red Book"—and can now find what he wants to know about NATIONAL ADVERTISERS and ADVERTISING AGENCIES. This SERVICE is being constantly revised by our large force.

Quit Guessing—
Get the Register !!

National Register Publishing Co.

245 Fifth Avenue

New York, N. Y.

Boston—Chicago—San Francisco

is by proximity or importance strong enough to pull these counties away from the furniture center.

There is no point, therefore, in breaking away from the arbitrary division which the county line establishes.

NEWAYGO COUNTY
(50 per cent Grand Rapids—50 per cent Muskegon.)

Here the county line either east or west would form an inaccurate area boundary. Western Newaygo has direct rail and road lines leading to Muskegon. Fremont (population 2,180) is the largest town in the southwestern section and is about the same distance from Muskegon as Newaygo (population 1,160) is from Grand Rapids.

These two small towns, in a totally rural county, and the transportation lines clearly shown on the map, determine the logical split of this county into two areas.

OTTAWA COUNTY
(80 per cent Grand Rapids—20 per cent Muskegon.)

The city of Grand Haven is closely linked to Muskegon and pulls a portion of the county away from the Grand Rapids influence exerted through the other urban places of Zeeland and Holland.

Other areas to the north, east and south of Grand Rapids reflect in their smaller size the greater commercial influence of Grand Rapids.

This gives a brief picture of the International Magazine Company's basis of determining trading area boundaries. They have been careful to list in their tabulations the listed counties (and part counties) which are included in each area, so that those who are not yet converted to their city and town basis of area delineation may still use the book. Your comment or questions are invited, in an effort to determine a universal method of determining such boundaries for any and all retail distributed classes of products.

San Antonio Drug Offers \$1,000 Bonus

A bonus of \$1,000 in gold will be presented to the 1930 winner of the president's gold button of the San Antonio Drug Company, it was announced by William Ochse, president of the company, at its annual sales convention in San Antonio, Texas, recently. To the salesman who holds second place in sales volume for the year will go a bonus of \$500.

The gold button formerly carried only the honor, and the bonus was provided for 1930 as an added incentive to the sales force, Mr. Ochse said.

A. G. MacPherson, of Bauer & Black, discussed "Direct Selling—Your Biggest Competitor," at the meeting.

Duluth Appoints West

J. E. West, for ten years sales manager of the Dartnell Corporation, Chicago, has been appointed general sales manager, in charge of sales and advertising, of the Duluth Showcase Company, Duluth, Minnesota.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display.
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